



COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR



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MARK J. SALADINO
TREASURER AND TAX COLLECTOR

February 25, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**ISSUANCE AND SALE OF WILLIAM S. HART UNION HIGH SCHOOL DISTRICT
(COUNTY OF LOS ANGELES, CALIFORNIA)
GENERAL OBLIGATION BONDS, 2001 ELECTION, SERIES A
(FIFTH DISTRICT) (3-VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Adopt the Resolution authorizing the issuance and sale of general obligation bonds of the William S. Hart Union High School District in an aggregate principal amount not to exceed \$70,000,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The governing board of the William S. Hart Union High School District adopted a resolution on February 12, 2003 and determined that the District needs to borrow funds in an aggregate principal amount not to exceed \$70,000,000 to be used for authorized purposes. This will be the first issuance of bonds authorized under this bond measure.

On November 6, 2001, an election was held whereby qualified voters of the District approved the proposition authorizing the District to issue \$158,000,000 in general obligation bonds to be used for the purpose of relieving severe overcrowding by constructing and acquiring additional schools, classrooms and facilities, renovating and expanding existing junior high and high schools, including replacement of inadequate lighting, electrical, plumbing systems, roofs, renovation of classrooms, and libraries, and to pay and prepay outstanding lease obligations of the District, and to pay necessary costs of issuing and delivering the Series A Bonds.

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Pursuant to Section 15266 of the Education Code, the Board of Supervisors is responsible for offering the District's bonds for sale. Such bonds shall be issued in the name and on behalf of such school district by the Board of Supervisors of the County following receipt of the district resolution requesting such borrowing.

Implementation of Strategic Plan Goals

This action supports the County's Strategic Plan Goal of Service Excellence by providing one-stop service delivery to the District. It supports the Strategic Plan Goal of Organizational Effectiveness through collaborative actions among County departments and other governmental jurisdictions. And, it supports the Strategic Plan Goal of Fiscal Responsibility by providing investment in and development of public school infrastructure in this County.

FISCAL IMPACT/FINANCING

None to the County. All debt will be paid by the District.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Resolution provides for issuance of current interest bonds not to exceed an interest rate of six and one-quarter percent (6.25%) and capital appreciation bonds not to exceed an interest rate of seven percent (7%). The final structure will be determined at the time of pricing to achieve the lowest cost of financing within the limits of the proposition's tax levy. The term of the bonds will not exceed twenty-five years. Provisions for optional redemption of these bonds will be described in the Contract of Purchase.

The Resolution provides for the negotiated sale of the bonds, with participation by the Treasurer and Tax Collector in pricing the bonds, to the Underwriter. The District has selected Stone & Youngberg LLC as Underwriter; the firm of Bowie, Arneson, Wiles & Giannone as Bond Counsel; and U.S. Bank Trust National Association as Paying Agent.

The County will annually levy and collect ad valorem taxes for the repayment of the bonds on behalf of the District.

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IMPACT ON CURRENT SERVICES (OR PROJECTS)

Not Applicable

CONCLUSION

Upon approval of this Resolution, the Department will need two (2) originally executed copies of the adopted Resolution.

Respectfully submitted,



MARK J. SALADINO
Treasurer and Tax Collector

MJS:DL:JW

pb/boardWilliamHartBoard Letter

Attachments(2)

c: Chief Administrative Officer
Auditor-Controller
County Counsel
William S. Hart Union High School District
Los Angeles County Office of Education
Bowie, Arneson, Wiles & Giannone
U. S. Bank Trust, National Association

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PROVIDING FOR THE ISSUANCE AND SALE OF THE WILLIAM S. HART UNION HIGH SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2001 ELECTION, SERIES A, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED SEVENTY MILLION DOLLARS (\$70,000,000).

WHEREAS, the William S. Hart Union High School District ("Hart District") is a public school district duly organized and operating pursuant to the Constitution and the laws of the State of California; and

WHEREAS, an election was duly called and held in the Hart District, County of Los Angeles ("County"), State of California, on November 6, 2001 ("Measure V Bond Election"), pursuant to the provisions of the "Safer Schools, Smaller Classes and Financial Accountability Act," (also known as "Proposition 39"), the California Constitution, and related applicable California Law, and thereafter canvassed pursuant to law; and

WHEREAS, at such Measure V Bond Election there was submitted to and approved by at least the requisite fifty-five percent (55%) vote of the qualified electors of the Hart District a question as to the issuance and sale of general obligation bonds of the Hart District for various purposes set forth in the ballot measure submitted to the voters, in the maximum principal amount of One Hundred Fifty-Eight Million Dollars (\$158,000,000), payable from the levy of an ad valorem tax against the taxable property in the Hart District ("Bond Authorization"); and

WHEREAS, pursuant to California Education Code Sections 15266(b) and 15100, *et seq.*, the Governing Board of the Hart District ("Hart Board") has duly adopted and submitted to this Board of Supervisors of the County ("County Board"), a resolution ("Hart District Resolution"), a certified copy of which has been received by this Board of Supervisors ("County Board"), requesting the County Board to issue and sell, in the name and on behalf of the Hart District, general obligation bonds designated as the "William S. Union High School District General Obligation Bonds, 2001 Election, Series A" in the aggregate principal amount of not to exceed Seventy Million Dollars (\$70,000,000) ("Bonds" or "Series A Bonds"); and

WHEREAS, in the Hart District Resolution, the Hart District found and informed the County Board that all acts and conditions necessary to be performed by the Hart District or to have been met precedent to and in the issuing and sale of the Series A Bonds in order to make them legal, valid and binding general obligations of the Hart District have been performed and have been met, or will at the time of delivery of the Series A Bonds have been performed and met, in regular and due form as required by law, including the provisions of Proposition 39 and related State Constitutional and statutory requirements; and

WHEREAS, the School Board has further requested this County Board to sell the Series A Bonds to Stone & Youngberg LLC ("Underwriter"), pursuant to the terms of the proposed form of the Bond Purchase Contract ("Purchase Contract") among the County, the Hart District, and the Underwriter; and

WHEREAS, the Series A Bonds are authorized to be issued by the County, on behalf of the Hart District, pursuant to the Bond Authorization and Sections 15100 and following of the Education Code of the State of California; and

WHEREAS, the County Board desires to make certain determinations and to authorize the issuance of the Series A Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS FOLLOWS:

SECTION 1. Incorporation of Hart District Resolution. The Hart District Resolution adopted on February 12, 2003, together with the exhibits thereto, is incorporated herein by this reference and all of the provisions thereof are made a part hereof and shall be applicable to the issuance and delivery of the Series A Bonds, except as otherwise specified herein.

SECTION 2. Purpose of the Bonds. Bonds of the Hart District shall be issued in the name and on behalf of the Hart District in the aggregate principal or issue amount of not to exceed Seventy Million Dollars (\$70,000,000) for the purposes of relieving severe overcrowding by constructing and acquiring additional schools, classrooms and facilities, renovating and expanding existing junior high and high schools, including replacement of inadequate lighting, electrical, plumbing systems, roofs, renovation of classrooms, and libraries, and to pay and prepay outstanding lease obligations of the Hart District, and to pay necessary costs of issuing and delivering the Series A Bonds, as specified in the bond proposition approved at the Measure V Bond Election.

SECTION 3. Approval of Purchase Contract. The Bonds will be sold at negotiated sale by the County Treasurer and Tax Collector ("Treasurer") pursuant to the terms and conditions set forth in the Purchase Contract, substantially in the form appended hereto as Exhibit "A" and incorporated by reference herein ("Purchase Contract"). The form of the Purchase Contract is hereby approved and the Treasurer, or any designated deputy thereof, is hereby authorized to execute and deliver the Purchase Contract and the Superintendent, or other authorized representative of the Hart District, is hereby requested to execute the Purchase Contract, with such changes therein, deletions therefrom and modifications thereto as the Treasurer, or designated deputy thereof, and the Hart District may approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the maximum interest rate on the Series A Bonds shall not exceed the maximum rate permitted by law and the Underwriter's discount, excluding original issue discount, if any, may not exceed one percent (1.00%) of the aggregate principal or issue amount of Series A Bonds sold thereunder (exclusive of any premium paid on the Series A Bonds, which premium shall not exceed 5.00%). The Treasurer, or designated deputy thereof, is further authorized to determine the principal or issue amount of the Series A Bonds of each maturity to be specified in the Purchase Contract for sale by the County, up to an aggregate principal or issue amount of \$70,000,000, to determine, upon consultation with the Hart District, whether to purchase bond insurance, to modify redemption terms and to enter into and execute the Purchase Contract with the Underwriter, if the conditions set forth in this Resolution are met.

If, upon consultation with the Designated Officer (defined below) of the Hart District, it appears in the best interests of the Hart District to acquire municipal bond insurance to secure the Bonds, the Treasurer may so provide in the Purchase Contract.

SECTION 4. Certain Definitions. As used in this Resolution, the terms set forth below shall have the following meanings ascribed to them:

(a) **"Accreted Interest"** means, with respect to the Capital Appreciation Bonds, the Accreted Value thereof minus the Denominational Amount thereof as of the date of calculation.

(b) **"Accreted Value"** means, with respect to the Capital Appreciation Bonds, as of the date of calculation, the Denominational Amount thereof, plus interest accreted thereon to such date of calculation, compounded semiannually on each March 1 and September 1 (commencing on the date stated in the Purchase Contract), with respect to the Capital Appreciation Bonds maturing on those dates specified in the Purchase Contract, and at the stated yield to maturity thereof, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

(c) **"Authorized Investments"** means the County Investment Pool (or other investment pools of the County into which the Hart District may lawfully invest its funds), the Local Agency Investment Fund, any investment authorized pursuant to Sections 16429.1 and 53601 of the Government Code, or in shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Section 53635 of the Government Code, or in guaranteed investment contracts in direct general obligations of the United States of America (including State and Local Government Securities) (provided that such contracts comply with the requirements of Section 148 of the Code, and with the requirements of the Bond Insurer, if any, and as shall be applicable).

(d) **"Bond Insurer"** means any insurance company which issues a municipal bond insurance policy insuring the payment of Principal and interest on the Bonds.

(e) **"Bond Payment Date"** means, (unless otherwise provided by the Purchase Contract) with respect to the interest on the Current Interest Bonds, March 1 and September 1, commencing March 1, 2004, and September 1 of each year commencing on the date specified in the Purchase Contract with respect to the Principal payments on the Current Interest Bonds. With respect to the Capital Appreciation Bonds, "Bond Payment Date" means the stated maturity dates thereof, as applicable; as stated in the Purchase Contract.

(f) **"Bond Register"** means the listing of names and addresses of the current registered owners of the Series A Bonds, as maintained by the Paying Agent in accordance with Section 11 hereof.

(g) **"Bonds"** or the **"Series A Bonds"** means the William S. Hart Union High School District General Obligation Bonds, 2001 Election, Series A.

- (h) **"Building Fund"** shall have the meaning set forth in Section 8 hereof.
- (i) **"Capital Appreciation Bonds"** means those Bonds the interest component of which is compounded semiannually on each Bond Payment Date to maturity as shown in the table of Accreted Values for such Series A Bonds in the Purchase Contract.
- (j) **"Code"** means the Internal Revenue Code of 1986, as amended, and any successor provisions thereto, and applicable regulations of the Department of Treasury thereunder, and any successor provisions thereto.
- (k) **"Current Interest Bonds"** means the Bonds the interest on which is payable on each Bond Payment Date specified for each such Bond as designated and maturing in the years and in the amounts set forth in the Purchase Contract.
- (l) **"Current Interest Term Bonds"** means those Current Interest Bonds for which mandatory sinking fund redemption dates have been established in the Purchase Contract.
- (m) **"Date of Issuance"** means the delivery date with respect to the Series A Bonds, or such other dates for the Series A Bonds as shall be designated by the Purchase Contract.
- (n) **"Debt Service Fund"** shall have the meaning set forth in Section 8 hereof.
- (o) **"Denominational Amount"** means, with respect to the Capital Appreciation Bonds, the initial offering price thereof, which represents the principal amount thereof (exclusive of any initial premium thereon), and, with respect to the Current Interest Bonds, the Principal amount thereof.
- (p) **"Designated Officers"** means the Hart District's Superintendent, Assistant Superintendent of Business Services, or other persons designated in writing by the Hart District's Superintendent as a Designated Officer of the Hart District.
- (q) **"Depository"** means the securities depository acting as Depository pursuant to Section 12 hereof.
- (r) **"DTC"** means the Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York in its capacity as securities depository for the Bonds.
- (s) **"Informational Services"** means Financial Information, Inc.'s "Daily Called Bond Service," 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Kenny Information Services "Called Bond Service," 65 Broadway, 16th Floor, New York, New York 10006; Standard & Poor's Ratings Group "Called Bond Record," 25 Broadway, 3rd Floor, New York, New York 10004; Moody's Investors Service "Municipal and Government," 5250 77 Center Drive, Suite 150, Charlotte, North Carolina, 28217, Attention: Called Bond Department, and, in

accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds as the Hart District may designate in a written request of the Hart District delivered to the Paying Agent.

(t) **"Interest Payment Date"** means March 1 and September 1 of each year during which the Series A Bonds are Outstanding, commencing March 1, 2004.

(u) **"Letter of Representations"** or **"Representation Letter"** shall have the meaning set forth in Section 12 hereof.

(v) **"Maturity Value"** means the Accreted Value of any Capital Appreciation Bond on its maturity date.

(w) **"Nominee"** means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 12 hereof.

(x) **"Official Statement"** shall have the meaning set forth in Section 19 hereof.

(y) **"Outstanding"** means all Series A Bonds theretofore issued by or on behalf of the Hart District, except:

(1) Series A Bonds theretofore canceled by the Hart District or surrendered to the Hart District for cancellation;

(2) Series A Bonds for the transfer or exchange of or in lieu of or in substitution for which other Series A Bonds shall have been authenticated and delivered by the Hart District pursuant to the terms hereof; and

(3) Series A Bonds paid and discharged pursuant to Section 14 or 15 hereof.

(z) **"Owner"** means the current registered holder of a Series A Bond or Series A Bonds to whom payments of principal and interest are made.

(aa) **"Participants"** means those broker-dealers, banks and other financial institutions from time to time for which DTC holds book-entry certificates as securities depository.

(bb) **"Paying Agent"** means the Treasurer and the Treasurer's designated agents or the Treasurer's successors or assigns, acting in the capacity of paying agent, registrar, authenticating agent and transfer agent. The Treasurer is authorized to contract with any third party to perform the services of Paying Agent under this Resolution.

(cc) **"Principal"** or **"Principal Amount"** means, with respect to any Current Interest Bond, the principal amount thereof, and, with respect to any Capital Appreciation Bond, the Denominational Amount.

(dd) **"Purchase Contract"** shall have the meaning set forth in Section 3 hereof.

(ee) **"Record Date"** means the close of business on the fifteenth day of the month preceding each Bond Payment Date.

(ff) **"Securities Depositories"** means the following: Depository Trust Company, with Cede & Co. as its nominee, Call Notification Department, 711 Stewart Avenue, Garden City, New York, 11530, Telecopy: (516) 227-4039, (516) 227-4190 and in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Hart District may designate in a Written Request of the Hart District delivered to the Paying Agent.

(gg) **"State"** means the State of California.

(hh) **"Tax Certificate"** means the document of that name, including all attachments thereto, dated the date of delivery of the Series A Bonds.

(ii) **"Transfer Amount"** means, with respect to any Outstanding Current Interest Bond, the aggregate Principal Amount thereof and, with respect to any Capital Appreciation Bond, the Maturity Value thereof.

(jj) **"Treasurer"** means the Treasurer and Tax Collector of the County of Los Angeles, California, or any authorized deputy thereof.

(kk) **"Underwriter"** means Stone & Youngberg LLC.

(ll) **"Written Request"** means a written request or directive of the Hart District provided by a Designated Officer.

Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

Headings of sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

All references herein to "Sections" and other subdivisions are to the corresponding Sections or subdivisions of this Resolution; the words "herein," "hereof," "hereby", "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Section or subdivision hereof.

SECTION 5. Terms of Bonds. The Bonds shall be issued in multiple series, the first of which shall be designated "William S. Hart Union High School District General Obligation Bonds, 2001 Election, Series A." The Series A Bonds shall be Current Interest Bonds, and, if issued, Capital Appreciation Bonds.

The Current Interest Bonds shall be dated the Date of Issuance, and shall bear interest at the rate or rates not to exceed a maximum rate of six and one-quarter percent (6.25%) per annum, payable on March 1 and September 1 of each year commencing on the date specified in the Purchase Contract, through September 1 of a year no later than September 1, 2027 (except there may be an alternative final maturity date occurring on or before April 1, 2028) (each, an "Interest Payment Date"), the actual interest rate or rates and the actual maturity schedule to be fixed at the time of sale. Each Current Interest Bond shall be issued in denominations of \$5,000 or integral multiples thereof, and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Interest Payment Date to the Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the first Bond Payment Date, in which event it shall bear interest from the Date of Issuance; provided, however, that if at the time of authentication of any Current Interest Bond, interest is then in default on outstanding Current Interest Bonds, such Current Interest Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. The foregoing terms shall be subject to the terms of the Purchase Contract as executed and delivered.

The Capital Appreciation Bonds, if issued, shall be dated the date of delivery and shall accrete interest from the date of issuance of the Capital Appreciation Bonds to their maturity at a rate or rates such that the interest rate shall not exceed seven percent (7.00%) per annum. The Capital Appreciation Bonds shall be issued in any denominations of their Principal Amounts but shall reflect denominations of \$5,000 Maturity Value or any integral multiple thereof; provided that one Capital Appreciation Bond may be issued on an odd Maturity Amount. The Capital Appreciation Bonds shall mature on September 1 of the years designated in the Purchase Contract, or as may otherwise be specified in the Purchase Contract. Interest on each Capital Appreciation Bond shall be compounded semiannually on March 1 and September 1 of each year until maturity, commencing on the date of issuance thereof, computed using a year of 360 days, comprised of twelve 30-day months, and shall be payable only at maturity as to their Maturity Amounts or on their redemption date if redeemed prior to their stated maturity dates.

The Series A Bonds will be sold as provided in Section 3 hereof; notwithstanding anything herein to the contrary, the terms of the Series A Bonds as set forth in this Resolution may be amended prior to delivery in accordance with the provisions of the Purchase Contract, as finally approved and executed by the Treasurer on behalf of the County and the Hart District.

SECTION 6. Form of Bonds. The Series A Bonds shall be substantially in conformity with the standard form of registered school district bonds, a copy of which is attached hereto as Exhibit "B" and incorporated herein by this reference as if set forth in full, with necessary or

appropriate variations, omissions and insertions as may be permitted or required by this Resolution and to conform with the requirements of the Purchase Contract.

The Series A Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Series A Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Treasurer and the Hart District, and may contain such reference to any of the provisions of this Resolution as may be appropriate. Every temporary Series A Bond shall be executed by the County upon the same conditions and in substantially the same manner as the definitive Series A Bonds. If the County issues temporary Bonds it will execute and furnish definitive Series A Bonds without delay, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the principal office of the Paying Agent and the Paying Agent shall deliver in exchange for such temporary Series A Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Series A Bonds shall be entitled to the same benefits pursuant to this Resolution as definitive Series A Bonds executed and delivered hereunder.

"CUSIP" identification numbers shall be imprinted on the Series A Bonds, but such numbers shall not constitute a part of the contract evidenced by the Series A Bonds and any error or omission with respect thereto shall not constitute cause for refusal of the Purchaser to accept delivery of and pay for the Series A Bonds. In addition, failure on the part of the Hart District to use such CUSIP numbers in any notice to Owners of the Series A Bonds shall not constitute an event of default or any violation of the Hart District's contract with such Owners and shall not impair the effectiveness of any such notice.

SECTION 7. Execution of Bonds. The Series A Bonds shall be executed by the manual or facsimile signature of the Chair of the County Board of Supervisors and the Treasurer or any designated deputy, and countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the County Board or any designated deputy. The facsimile signatures of the Chair of the County Board, the Treasurer and the Executive Officer-Clerk of the County Board may be printed, lithographed, engraved, or otherwise mechanically reproduced.

No Series A Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Series A Bond is signed by the Paying Agent as authenticating agent for the Series A Bonds. Authentication by the Paying Agent shall be conclusive evidence that the Series A Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

SECTION 8. Delivery of Bonds; Disposition of Proceeds of the Bonds. The proper officials of the Hart District shall cause the proper officials of the County to cause the Series A Bonds to be prepared and, following their sale, shall have the Series A Bonds signed and delivered to the original purchaser upon payment of the purchase price, as set forth in the Purchase Contract, in immediately available funds.

The proceeds from the sale of the Series A Bonds, to the extent of the principal amount thereof, shall be paid and credited to the fund established and designated as the "2001 Election, General Obligation Bonds, Series A, William S. Hart Union High School District Building Fund" ("Building Fund") of the Hart District, and shall be kept separate and distinct from all other Hart District and County funds, and those proceeds shall be used solely for the purpose for which the Series A Bonds are being issued, as referenced herein, including, but not limited to the payment or prepayment of current lease obligations of the Hart District, and for payment of permissible costs of issuance of the Series A Bonds and provided further that such proceeds shall be applied solely to authorized purposes as directed in writing by the Hart District. The County makes no assurance regarding the use of proceeds of the Series A Bonds and shall have no obligation to ensure that the proceeds are applied in accordance with the preceding sentence. The interest earned on the monies deposited to the Building Fund shall be deposited to said Fund and such monies shall be used for any lawful purpose of the Hart District at the direction of the Hart District. The Building Fund shall be administered by the Los Angeles County Office of Education, or as otherwise required by applicable State law or applicable County requirements.

The accrued interest and any premium received from the sale of the Series A Bonds (if any after all or a portion of Underwriter's discount or costs of issuance are paid) shall be kept separate and apart in the fund established and designated as the "2001 Election, General Obligation Bonds, Series A, William S. Hart Union High School District General Obligation Bond Debt Service Fund" ("Debt Service Fund") for the Series A Bonds and used for payments of principal and interest on the Series A Bonds. Interest earned on investments of monies held in the Debt Service Fund shall be retained in the Debt Service Fund and used to pay principal and interest on the outstanding Bonds when due. The monies in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Series A Bonds as the same becomes due and payable, shall be transferred by the Treasurer to the Paying Agent for subsequent disbursement to the beneficial owners of the Series A Bonds. Any tax revenues available after the payment of all interest and principal payments due in or as against a particular tax year which may be applied to the Paying Agent's fees or costs relating to the Series A Bonds shall be so applied; otherwise, such fees or costs shall be paid from the Hart District's General Fund as set forth in Section 10 of the Hart District Resolution. The Debt Service Fund shall be administered by the County Auditor-Controller or as otherwise required by applicable State law or applicable County requirements.

The Hart District shall, at such time as shall be necessary, establish and create, through the County, as may be necessary, the "William S. Hart Union High School District General Obligation Bonds, Series A, Rebate Fund" ("Rebate Fund"), which fund shall be kept separate and distinct from all other Hart District funds, and into which the Hart District shall deposit, or direct deposit of, funds used to satisfy any requirement to make rebate payments to the United States pursuant to Section 148 of the Internal Revenue Code of 1986, as amended and the Treasury Regulations promulgated thereunder ("Code") as shall be applicable to the Series A Bonds. The Rebate Fund (if and when established pursuant to the requirements of the Tax Certificate) may, at the discretion of the Hart District, be held by the Paying Agent or the County. Responsibility for determining and calculating rebate payments, if any, due with regard to the Series A Bonds are the responsibility of the Hart

District as further set forth in Section 20. Monies in the Rebate Fund shall be invested in compliance with the limitations of the Code.

Any excess proceeds of the Series A Bonds not needed for the authorized purposes set forth herein for which Series A Bonds are being issued shall, at the direction of the Hart District, be transferred to the Debt Service Fund and applied to the payment of principal and interest on the Series A Bonds. If, after payment in full of the Series A Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the Hart District to be applied in accordance with applicable law. The County shall have no obligation to ensure that excess proceeds, if any, are applied in accordance with the preceding two sentences.

All proceeds of the Series A Bonds and interest earnings thereon shall be invested by the County, on behalf of, and pursuant to the written direction(s) of the Hart District, in Authorized Investments. Absent other written investment directions provided to the County from the Hart District, the Treasurer shall invest monies in the Building Investment Fund and the Debt Service Fund pursuant to the State law and the investment policy of the County.

SECTION 9. Payment of Principal and Interest. The Principal and Maturity Value of and interest on the Series A Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Paying Agent. Interest on Current Interest Bonds shall be paid on each Series A Bond Payment Date by check mailed by first class mail to the person in whose name the Series A Bond is registered, and to that person's address appearing on the Bond Register (as described in Section 11 below) on the Record Date. The Owner of an aggregate Principal Amount or Maturity Value of \$1,000,000 or more of Series A Bonds may request, in writing, prior to the close of business on the fifteenth (15th) day of the month preceding each Interest Payment Date, to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

Payments of Principal and redemption premiums, if any, with respect to the Current Interest Bonds, and the payments of Maturity Value and redemption premiums, if any, with respect to Capital Appreciation Bonds, shall be payable at maturity or redemption upon surrender at the office of the Paying Agent in Los Angeles, California, or such other location as the Paying Agent shall designate to the County and the Hart District in writing. In the event the Paying Agent shall provide written notice of a change in the location for payment of Principal, redemption premiums and Maturity Value on the Series A Bonds, the Paying Agent shall thereafter provide notice of such change to the Informational Services and Securities Depositories of such change. The Paying Agent is hereby authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Series A Bonds upon payment thereof.

The Series A Bonds are the general obligations of the Hart District and do not constitute an obligation of the County except as provided in this Resolution. No part of any fund of the County is pledged or obligated to the payment of the Series A Bonds.

SECTION 10. Redemption.

(a) Optional Redemption. Unless otherwise specified in the Purchase Contract, as executed and delivered, the Capital Appreciation Bonds shall not be subject to optional redemption prior to maturity.

The final terms for the optional redemption of the Current Interest Bonds shall be as specified in the Purchase Contract, as executed and delivered.

(b) Mandatory Sinking Fund Redemption of Current Interest Term Bonds. The Current Interest Term Bonds, if any, are subject to mandatory sinking fund redemption prior to their maturity, by lot, without premium, on each September 1, in the years and in the amounts as set forth in the Purchase Contract and in the Official Statement. In the event that there are no Current Interest Term Bonds specified in the Purchase Contract, this subsection shall not apply.

(c) Mandatory Sinking Fund Redemption of Capital Appreciation Term Bonds. The Capital Appreciation Term Bonds are subject to mandatory sinking fund redemption prior to their maturity date from monies in the Debt Service Fund established in Section 8 hereof, by lot, without premium, on each September 1 (or other date specified in the Purchase Contract), in the years and in the amounts as set forth in the Purchase Contract and in the Official Statement described below. In the event that there are no Capital Appreciation Term Bonds specified in the Purchase Contract, this subsection shall not apply.

(d) Selection of Bonds for Redemption. Whenever less than all of the outstanding Series A Bonds are to be redeemed, the Paying Agent shall select the Series A Bonds to be redeemed in inverse order of maturity, and within a maturity, the Paying Agent shall select Series A Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Current Interest Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof, and the portion of any Capital Appreciation Bonds to be redeemed in part shall be in integral multiples of the Accreted Value per \$5,000 Maturity Value of such Capital Appreciation Bond. The Paying Agent shall promptly notify the Hart District of the Series A Bonds so selected for redemption on such date.

(e) Notice of Redemption. Notice of redemption ("Redemption Notice") shall be mailed, first class postage prepaid, to the respective Owners of any Series A Bonds designated for redemption at their address appearing on the books required to be kept by the Paying Agent, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date, which notice shall specify: (a) the Series A Bonds or designated portions thereof (in the case of redemption of the Series A Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Series A Bonds to be redeemed, (f) the serial or registration numbers of the Bonds to be redeemed in whole or in part and, in the case of any Series A Bond to be redeemed in part only, the Principal Amount of such Series A Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date

of each Series A Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Series A Bond or portion thereof being redeemed, the redemption price therefor, together with the interest accrued to the specified redemption date in the case of Capital Appreciation Bonds, and that from and after such date, interest with respect thereto shall cease to accrete in value.

In case of the redemption as permitted herein of all the Outstanding Bonds of any one maturity, the Redemption Notice shall be given by mailing as herein provided, except that the Redemption Notice need not specify the serial or registration numbers of the Series A Bonds of such maturity.

Neither the failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Series A Bonds or the cessation of accrual of interest represented thereby from and after the redemption date.

The Paying Agent shall take the following actions with respect to such Redemption Notice:

- (i) At least thirty (30) but not more than forty-five (45) days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Series A Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the Bond Register.
- (ii) At least thirty-two (32) days before the redemption date such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to each of the Securities Depositories.
- (iii) At least thirty-two (32) days before the redemption date such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services.

Neither failure to receive or failure to send, to the Securities Depositories or Informational Services, any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Series A Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Series A Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Series A Bonds being redeemed with the proceeds of such check or other transfer.

(f) Payment of Redeemed Bonds. When a Redemption Notice has been given substantially as provided for herein, and, when the amount necessary for the redemption of the Series A Bonds called for redemption (principal and premium, if any) is set aside for that purpose in the

Debt Service Fund, as provided herein, the Series A Bonds designated for redemption shall become due and payable on the date fixed for redemption thereof and upon presentation and surrender of said Series A Bonds at the place specified in the Redemption Notice, said Series A Bonds shall be redeemed and paid at the redemption price out of the Debt Service Fund.

All unpaid interest payable at or prior to the redemption date shall continue to be payable to the respective Owners, but without interest thereon.

(g) Partial Redemption of Bonds. Upon surrender of any Series A Bond redeemed in part only, the Paying Agent shall authenticate and deliver to the Owner thereof a new Series A Bond or Series A Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amounts to the unredeemed portion of the Series A Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the Hart District shall be released and discharged thereupon from all liability to the extent of such payment.

(h) Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside in the Hart District's Debt Service Fund, the Series A Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Series A Bonds to be redeemed as provided in this Section 10, together with interest to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Series A Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Paying Agent for the redemption of Series A Bonds shall be held in trust for the account of the Owners of the Series A Bonds so to be redeemed.

All Series A Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 10 shall be canceled upon surrender thereof and be delivered to or upon the order of the County and the Hart District. All or any portion of a Series A Bond purchased by the County or the Hart District shall be canceled by the Paying Agent.

(i) Bonds No Longer Outstanding. When any Series A Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held by the Paying Agent irrevocably in trust for the payment of the redemption price of such Series A Bonds or portions thereof, and, in the case of Series A Bonds, accrued interest with respect thereto to the date fixed for redemption, all as provided in this Resolution, then such Series A Bonds shall no longer be deemed outstanding and shall be surrendered to the Paying Agent for cancellation.

SECTION 11. Bond Registration; Transfers. As hereinafter provided, the Bonds shall be delivered in a form and with such terms as will permit them to be in book-entry only form, deposited with DTC. If the book-entry only system is no longer in effect, the Hart District will cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of certificated Bonds as provided in this Section ("Bond Register"). While the book-entry only system is in effect, such books need not be kept, as the Bonds will be represented by one Bond for each maturity registered in the name of Cede & Co., as nominee for DTC.

Subject to the provisions of Section 12 below, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute Owner of that Bond for all purposes of this Resolution. Payment of or on account of the principal of and interest on any Bond shall be made only to or upon the order of the Owner thereof; neither the Hart District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the Hart District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of the same series of any other authorized denomination upon presentation and surrender at the principal corporate trust office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Any Bond may, in accordance with its terms (but only if the Hart District determines no longer to maintain the book-entry only status of the Bonds, DTC determines to discontinue providing such services and no successor securities depository is named or DTC requests the Hart District to deliver certificated securities to particular DTC Participants) be transferred, upon the books required to be kept pursuant to the provisions of this Section, by the Owner, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

If manual signatures on behalf of the County are required in connection with an exchange or transfer, the Paying Agent shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the County. In all cases of exchanged or transferred Bonds, the County shall sign and the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Bonds issued upon any exchange or transfer shall be valid obligations of the Hart District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Bonds surrendered upon that exchange or transfer.

Any Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be canceled by the Paying Agent. The Hart District and the County may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Bonds that the Hart District and the County may have acquired in any manner whatsoever, and those Bonds

shall be promptly canceled by the Paying Agent. Written reports of the surrender and cancellation of Bonds shall be made to the Hart District and the County by the Paying Agent and updated annually. The canceled Bonds shall be destroyed by the Paying Agent in accordance with its procedures as confirmed in writing to the Hart District.

Neither the Hart District, the County nor the Paying Agent will be required to: (a) issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding either any Interest Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Interest Payment Date or day on which the applicable notice of redemption is given, or (b) transfer any Bonds which have been selected or called for redemption in whole or in part.

SECTION 12. Book-Entry System. Except as provided below, the owner of all of the Bonds shall be The Depository Trust Company, New York, New York ("DTC" or "Depository"), and the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. The Bonds shall be initially executed and delivered in the form of a single, fully registered Bond for each maturity (which may be typewritten). Upon initial execution and delivery, as provided for herein, the ownership of such Bond shall be registered in the Bond Register in the name of the Nominee identified below as nominee of The Depository Trust Company, New York, New York, and its successors and assigns. Except as hereinafter provided, all of the Outstanding Bonds shall be registered in the Bond Register in the name of the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to this Section ("Nominee"). With respect to the Bonds registered in the Bond Register in the name of the Nominee, neither the Hart District nor the Paying Agent shall have any responsibility or obligation to any broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds as securities depository ("Participant") or to any person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, neither the Hart District nor the Paying Agent shall have any responsibility or obligation (unless the Hart District is at such time the Depository) with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person, other than an Owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in the Bonds to be redeemed in the event the Hart District redeems the Bonds in part, or (iv) the payment to any Participant or any other person, other than an Owner of a Bond as shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds. The Hart District and the Paying Agent may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute Owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of giving notices of redemption, if applicable, and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of and interest on the Bonds only to or upon the order of the respective Owner of the Bond, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Hart District's obligations with respect to payment of principal of and interest on

the Bonds to the extent of the sum or sums so paid. No person other than an Owner of a Bond, as shown in the Bond Register, shall receive a Bond evidencing the obligation of the Hart District to make payments of principal and interest. Upon delivery by the Depository to the Owners of the Bonds, and the Hart District of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Resolution shall refer to such nominee of the Depository.

In order to qualify the Bonds for the Depository's book-entry system, the Hart District is executing and delivering to the Depository a Representation Letter. The execution and delivery of the Representation Letter shall not in any other way limit the provisions of this Section or in any other way impose upon the Hart District any obligation whatsoever with respect to persons having interests in the Bonds other than the owners of the Bonds, as shown on the Bond Register. In addition to the execution and delivery of the Representation Letter, the Hart District shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify the Bonds for the Depository's book-entry program.

In the event: (i) the Depository determines not to continue to act as securities depository for the Bonds; or (ii) the Depository shall no longer so act and gives notice to the Hart District of such determination, then the Hart District will discontinue the book-entry system with the Depository. If the Hart District determines to replace the Depository with another qualified securities depository, the Hart District shall prepare or direct the preparation of a new single, separate, fully registered Bond, per maturity, registered in the name of such successor or substitute qualified securities depository or its nominee. If the Hart District fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in the Bond Register in the name of the Nominee, but shall be registered in whatever name or names owners of the Bonds transferring or exchanging Bonds shall designate, in accordance with provisions of this Resolution, and the Hart District shall prepare and deliver Bonds to the owners thereof for such purpose.

In the event of a reduction in aggregate principal amount of Bonds Outstanding or an advance refunding of part of the Bonds Outstanding, DTC in its discretion, (a) may request the Hart District to prepare and issue a new Bond or (b) may make an appropriate notation on the Bond indicating the date and amounts of such reduction in principal, but in such event the Hart District records maintained by the Paying Agent shall be conclusive as to what amounts are Outstanding on the Bond, except in the case of final maturity in which case the Bond must be presented to the Paying Agent prior to payment.

Notwithstanding any other provisions of this Resolution to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository and acceptable to the Hart District.

SECTION 13. Paying Agent.

(a) The County Board does hereby appoint the Treasurer as Paying Agent for the Series A Bonds. All fees and expenses incurred for services of the Paying Agent shall be the sole responsibility of the Hart District subject to the provisions hereof. The Hart District shall function as the dissemination agent and shall perform all duties and obligations as set forth in the Continuing Disclosure Certificate, as described in Section 17 hereof.

(b) In the event that the Treasurer resigns from service as the Paying Agent, the successor Paying Agent may resign from service as Paying Agent upon sixty (60) days' written notice to the Treasurer and may be removed at any time by the Treasurer. Without further action by the Hart District, if at any time the Paying Agent shall resign or be removed, the Treasurer shall appoint a successor Paying Agent, which shall be a bank or trust company doing business in and having a principal corporate trust office in Los Angeles, California, with at least \$50,000,000 in assets. The Paying Agent shall keep accurate records of all funds administered by it and of all Series A Bonds paid and discharged by it. Such records shall be provided, upon reasonable request, to the County in a format mutually agreeable to the Paying Agent and the County.

(c) In the event of the resignation or removal of the Paying Agent, such Paying Agent shall pay over, assign and deliver any monies held by it as Paying Agent to its successor, or, if there is no successor, to the Treasurer. In the event that for any reason there shall be a vacancy in the office of the Paying Agent, the Treasurer shall act as such Paying Agent. The County shall promptly cause to be mailed, at Hart District expense, the name and principal corporate trust office address of the Paying Agent appointed to replace any resigned or removed Paying Agent to the Informational Services and to DTC.

(d) Any company or association into which the Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company or association to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided that such company or association shall be eligible under Section 13(b), shall be the successor to the Paying Agent and vested with all of the title to the trust estate and all of the trust, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding. All costs associated with the Paying Agent's merger or consolidation with another bank or trust company shall be paid by the successor Paying Agent. No expense resulting from such merger or consolidation shall be billed to the Hart District.

SECTION 14. Defeasance. The Series A Bonds may be defeased prior to maturity in the following ways:

(a) Cash: By irrevocably depositing with a bank or trust company, in escrow, an amount of cash which, together with amounts then on deposit in the Debt Service Fund, is sufficient to pay all Series A Bonds Outstanding, including all principal and interest and premium, if any; or

(b) United States Obligations: By irrevocably depositing with a bank or trust company, in escrow, noncallable United States Obligations (as defined below), as permitted under Section 149(d) of the Code, together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and monies then on deposit in the Debt Service Fund, together with the interest to accrue thereon, be fully sufficient to pay and discharge all Series A Bonds (including all principal and interest represented thereby and redemption premiums, if any) at or before their maturity date;

then, notwithstanding that any Series A Bonds shall not have been surrendered for payments, all obligations of the Hart District and the County with respect to all Outstanding Bonds shall cease and terminate, except for the obligation of the Paying Agent to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section 14, to the Owners of the Series A Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section 14, "United States Obligations" shall mean:

Direct and general obligations of the United States of America (including State and Local Government Series), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidence of direct ownership or proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances wherein: (a) a bank or trust company acts as custodian and holds the underlying United States Obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States Obligations; and (c) the underlying United States Obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claims of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed "AAA" by Standard & Poor's and "Aaa" by Moody's Investors Service.

For purposes of this Section 14, and Section 15, the escrow agent bank and verification agent shall be selected by the Hart District in consultation with the County. Any escrow bank or trust company, other than the County Treasurer, shall conform to the successor paying agent requirements of Section 13(b) hereof.

SECTION 15. Partial Defeasance. A portion of the then-Outstanding maturities of the Series A Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with a bank or trust company, in escrow, an amount of cash which, together with amounts then on deposit in the Debt Service Fund, is sufficient to pay the designated Outstanding maturities of Series A Bonds, including all principal and interest and premium, if any; or

(b) United States Obligations: by irrevocably depositing with a bank or trust company, in escrow, noncallable United States Obligations, as permitted under Section 149(d) of the Code, together with cash, if required, in such an amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon, be fully sufficient to pay and discharge the designated maturities of Series A Bonds (including all principal and interest represented thereby and redemption premiums, if any), at or before their maturity date;

then, notwithstanding that any of such designated maturities of Series A Bonds shall not have been surrendered for payment, all obligations of the Hart District and the County with respect to such Outstanding maturities of Series A Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section 15, to the Owners of the Series A Bonds of such maturities designated for redemption not so surrendered and paid, all sums due with respect thereto.

For purposes of this Section 15, United States Obligations shall have the same meaning as set forth in Section 14 hereof.

SECTION 16. Security for the Bonds. The County shall cause to be levied on all the taxable property in the Hart District commencing in Fiscal Year 2003-2004, in addition to all other taxes, a continuing direct ad valorem tax annually during the period the Series A Bonds are Outstanding in an amount sufficient to pay the Principal or Maturity Value of and interest on the Series A Bonds when due, which monies when collected will be placed in the Debt Service Fund of the Hart District, which fund is irrevocably pledged for the payment of the principal of and interest on the Series A Bonds when and as the same fall due. The monies in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Series A Bonds as the same becomes due and payable, shall be disbursed by the Treasurer to the Paying Agent, for subsequent disbursement to the beneficial Owners of the Series A Bonds.

SECTION 17. Continuing Disclosure. The Hart District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate (as defined below), which shall be executed by Hart District and delivered at the time of delivery of the Series A Bonds. Notwithstanding any other provisions of this Resolution, failure of the Hart District to comply with the Continuing Disclosure Certificate shall not be considered a default by the Hart District hereunder or under the Series A Bonds; however, any underwriter or any holder or beneficial Owner of the Series A Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

"Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate executed by the Hart District and dated the date of issuance and delivery of the Series A Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

SECTION 18. Bond Insurance. In the event the Hart District purchases bond insurance for the Bonds, and to the extent that the Bond Insurer makes payment of the principal or interest on the Bonds, it shall become the Owner of such Series A Bonds with the right to payment of principal or interest on the Series A Bonds, and shall be fully subrogated to all of the Owners' rights, including the Owners' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest components, the Paying Agent shall note the Bond Insurer's rights as subrogee on the Bond Register upon receipt of a copy of the canceled check issued by the Bond Insurer for the payment of such interest to the Owners of the Series A Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Paying Agent shall note the Bond Insurer as subrogee on the Bond Register upon surrender of the Series A Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

SECTION 19. Official Statement. The Hart District has authorized and shall be responsible for preparing a preliminary and final Official Statement meeting the requirements of SEC Rule 15c2-12 to be prepared. Such preliminary Official Statement and final Official Statement shall be referred to as the "Official Statement."

SECTION 20. Tax and Arbitrage Matters.

(a) The Hart District has represented that it shall not take any action, or fail to take any action if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Bonds under Section 103 of the Code.

(b) The Hart District has covenanted to restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, so that the Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and the applicable regulations prescribed under that section or any successor section. Calculations for determining arbitrage requirements are the sole responsibility of the Hart District.

(c) The Hart District, in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds, has covenanted to comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Code, as set forth in the nonarbitrage (tax) certificate to be provided to the Hart District by Bowie, Arneson, Wiles & Giannone, Bond Counsel, on the date of initial delivery of the Bonds and incorporated herein by this reference as a source of guidance for compliance with such provisions.

(d) The Hart District has covenanted to at all times do and perform all other acts and things necessary or desirable and within its powers to assure, for the purposes of California personal and Federal income taxation, that the tax-exempt status of the interest paid on the Bonds to the recipients thereof will be preserved.

(e) Notwithstanding any other provision of this Resolution to the contrary, upon the Hart District's failure to observe, or refusal to comply with, the above covenant, no person other than the owners of the Bonds shall be entitled to exercise any right or remedy provided to such owners under

this Resolution on the basis of the Hart District's failure to observe, or refusal to comply with, the above covenant.

SECTION 21. Unclaimed Monies. Notwithstanding any of the foregoing provisions of this Resolution, any monies held by the Paying Agent for the payment of the principal of, redemption premium, if any, or interest on the Series A Bonds remaining unclaimed for one year after the corresponding maturity or redemption date for such Series A Bonds shall be returned by the Paying Agent to the Treasurer, with any and all interest accrued thereon, for deposit into the Debt Service Fund. Notwithstanding any other provisions of this Resolution, any monies held in any fund created pursuant to this Resolution, or by the Paying Agent in trust, for the payment of the principal of, redemption premium, if any, or interest on the Series A Bonds and remaining unclaimed for one year after the principal of all of the Series A Bonds have become due and payable (whether by maturity or upon prior redemption) shall be, after payment in full of the Series A Bonds, transferred to the general fund of the Hart District to be applied in accordance with law; provided, however, that the Paying Agent, or Treasurer, as may be the case, before making such payment, shall cause notice to be mailed to the Owners of all Series A Bonds that have not been paid, by first-class mail at the addresses on the Bond Register, postage prepaid, not less than 90 days prior to the date of such payment.

SECTION 22. Compliance With Law. All acts, conditions and things required by law to be done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the Hart District, and the indebtedness of the Hart District, including this proposed issue of the Series A Bonds, is within all limits prescribed by law, including those prescribed by Proposition 39 and related State statutory requirements.

SECTION 23. Conditions Precedent. This County Board determines that all acts and conditions necessary to be performed by the County Board or to have been met precedent to and in the issuing of the Series A Bonds, in order to make them legal, valid and binding general obligations of the Hart District have been performed and have been met, or will at the time of delivery of the Series A Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or Constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Series A Bonds.

SECTION 24. Amendments. The County may from time to time (which may be at the request of the Hart District, made in writing), and at any time, without notice to or consent of any of the Owners, by action of the County Board, amend the provisions of this Resolution for any of the following reasons:

(a) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein or therein, or to make any other provision with respect to matters or questions arising under this Resolution, provided that such action shall not adversely affect the interests of the Bond Owners;

(b) to add to the covenants and agreements of and the limitations and the restrictions upon the Hart District contained in this Resolution which are not contrary to or inconsistent with this Resolution as theretofore in effect; and

(c) to modify, alter, amend or supplement this Resolution in any other respect which is not materially adverse to the Bond Owners.

In the event of any such amendment, the County shall promptly provide the Hart District and the Paying Agent with copies of such amendment and the action of the County Board approving such amendment.

SECTION 25. Approval of Actions. Officers of the County Board and County officials and staff, including the Treasurer or the Treasurer's designee, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance and sale of the Series A Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

SECTION 26. Furnishing of Clerk's Certification. The Executive Officer-Clerk of the County Board is hereby authorized to furnish one certified copy of this Resolution to Bowie, Arneson, Wiles & Giannone, Hart District Bond Counsel, at or prior to closing.

[Remainder of the page is blank.]

SECTION 27. Effective Date. This Resolution shall take effect immediately upon its passage.

The foregoing Resolution was on the 11th day of March, 2003, adopted by the County Board of the County of Los Angeles and ex-officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

[SEAL]

VIOLET VARONA-LUKENS, Executive
Officer-Clerk of the Board of Supervisors of
the County of Los Angeles

By: _____
Deputy

APPROVED AS TO FORM:
LLOYD W. PELLMAN
County Counsel

By

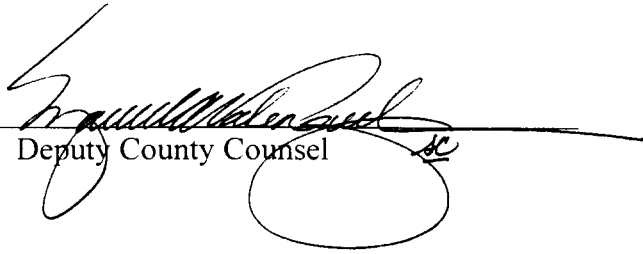

Deputy County Counsel

EXHIBIT "A"
FORM OF BOND PURCHASE CONTRACT

1/20/03
2/2/03
2/18/03

\$ _____
WILLIAM S. HART UNION HIGH SCHOOL DISTRICT
General Obligation Bonds
2001 Election, Series A

BOND PURCHASE CONTRACT

_____, 2003

County of Los Angeles
Treasurer and Tax Collector
Room 437
500 West Temple Street
Los Angeles, CA 90012

Board of Education
William S. Hart Union High School District
21515 Redview Drive
Santa Clarita, CA 91350

Ladies and Gentlemen:

Stone & Youngberg LLC (the "Underwriter") offers to enter into this Bond Purchase Contract (the "Purchase Contract") with the County of Los Angeles, California (the "County"), and the William S. Hart Union High School District (the "District") which, upon your acceptance hereof, will be binding upon the County, the District, and the Underwriter. This offer is made subject to the written acceptance of the Purchase Contract by the County and the District and delivery of such acceptance to the Underwriter at or prior to 11:59 P.M., California time, on the date hereof.

1. **Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the County for reoffering to the public, and the County hereby agrees to sell in the name and on behalf of the District to the Underwriter for such purpose, all (but not less than all) of \$_____ in aggregate principal amount of the District's General Obligation Bonds, 2001 Election, Series A (the "Series A Bonds"). The Series A Bonds shall bear or accrete interest at the rates and shall mature in the years shown on Appendix A hereto, which is incorporated herein by this reference. The Current Interest Bonds (as defined in the County Resolution described below) shall bear interest payable from the date thereof as specified in Section 2 herein on each March 1 and September 1 commencing March 1, 2004. The Capital Appreciation Bonds (as defined in the County Resolution described below) shall accrete interest from their date, as specified in Section 2 herein, compounded semiannually on March 1 and September 1, commencing on March 1, 2004, and shall be paid at maturity as shown in Appendix A hereto. The Underwriter shall purchase the Series A Bonds at a price of \$_____, which is equal to the sum of \$_____, the denominational amount of

the Series A Bonds, plus an original issue premium of \$_____, minus \$_____, the Underwriter's discount for the Series A Bonds.

2. **The Bonds.** The Current Interest Bonds and the Capital Appreciation Bonds shall be dated their date of delivery. The Series A Bonds shall mature on September 1 in the years shown in Appendix A hereto, except as provided herein, and shall otherwise be as described in, and shall be issued and secured pursuant to the provisions of the resolution of the District adopted on February 12, 2003 (the "District Resolution"), the resolution of the Board of Supervisors of the County adopted on March 4, 2003 (the "County Resolution" and collectively with the District Resolution, the "Resolutions"), and Section 15100 *et seq.* of the California Education Code (the "Act") and other applicable provisions of law.

Certain provisions for the optional and mandatory redemption of the Series A Bonds not otherwise specified in the Resolutions are shown in Appendix A hereto, all as provided in the County Resolution.

The Series A Bonds shall be executed and delivered under and in accordance with the provisions of the Purchase Contract and the Resolutions.

3. **Use of Documents.** The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Series A Bonds, the Purchase Contract, the Official Statement (defined below), and the District Resolution, and all information contained herein and therein and all of the documents, certificates or statements furnished by the District to the Underwriter in connection with the transactions contemplated by the Purchase Contract (except as such documents otherwise provided).

The County hereby authorizes the Underwriter to use the Purchase Contract and the County Resolution and all information contained herein and therein and all of the documents, certificates or statements furnished by the County to the Underwriter in connection with the transactions contemplated by the Purchase Contract (except as such documents otherwise provided).

4. **Public Offering of the Bonds.** The Underwriter agrees to make a bona fide public offering of all the Series A Bonds at the initial public offering prices or yields to be set forth on the cover page of the Official Statement and Appendix A hereto. Subsequent to such initial public offering, the Underwriter reserves the right to change such initial public offering prices or yields as it deems necessary in connection with the marketing of the Series A Bonds.

The Underwriter shall certify to the District (i) that as of the date of sale, all of the Series A Bonds purchased were expected to be reoffered in a bona fide public offering; (ii) that as of the date of the certification, all of the Series A Bonds purchased had actually been offered to the general public at the offering prices shown in Appendix A; and (iii) that the prices given in Appendix A are the maximum initial bona fide offering prices at which a substantial amount (at least 10%) of each maturity of the Series A Bonds purchased was sold to the general public;

5. **Review of Official Statement.** The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Series A Bonds, dated _____, 2003 (the Preliminary Official Statement"). The District represents that it deemed the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), yield(s) to maturity, selling compensation, aggregate principal amount and maturity value, denominational amount and maturity value per maturity, delivery date, rating(s) and other terms of the Series A Bonds which depend upon the foregoing as

provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule").

The Underwriter agrees that prior to the time the final Official Statement (the "Official Statement") relating to the Series A Bonds is available, the Underwriter will send to any potential purchaser of the Series A Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

The Underwriter hereby represents that it will provide, consistent with the requirements of Municipal Securities Rulemaking Board ("MSRB") Rule G-32, for the delivery of a copy of the Official Statement to each customer who purchases any Series A Bonds during the underwriting period (as such term is defined in MSRB Rule G-11), and deliver a copy of the Official Statement to a national repository on or before the Closing Date, and that it will otherwise comply with all applicable statutes and regulations in connection with the offering and sale of the Series A Bonds, including, without limitation, MSRB Rule G-32 and 17 CFR Section 240.15c2-12, promulgated by the Securities and Exchange Commission ("Rule 15c2-12").

References herein to the Preliminary Official Statement and the final Official Statement include the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto.

6. **Closing.** At 9:00 A.M., California time, on _____, 2003, or at such other time or on such other date as shall have been mutually agreed upon by the County, District, and Underwriter, (the "Closing"), the County and the District will deliver to the Underwriter (except as otherwise provided in the Resolutions), at the offices of The Depository Trust Company ("DTC") in New York, New York, or at such other place as the County, District, and Underwriter may mutually agree upon, the Series A Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and in Newport Beach, California, the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds by wire transfer to the account of the County.

7. **Representations, Warranties and Agreements of the District.** The District hereby represents, warrants and agrees with the Underwriter that:

(a) **Due Organization.** The District is a school district duly organized and validly existing under the laws of the State of California, with the power to request the issuance of the Series A Bonds pursuant to the Act;

(b) **Due Authorization.** (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Series A Bonds; (ii) the District has full legal right, power and authority to enter into the Purchase Contract, to adopt the District Resolution, to perform its obligations under the District Resolution and the County Resolution (iii) and the Purchase Contract constitutes a valid and legally binding obligation of the District;

(c) **Consents.** Except for the action of parties hereto, no consent, approval, authorization, order, filing, registration, qualification, election or referendum of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Series A Bonds or the consummation of the other

transactions contemplated herein or hereby, except for such actions as may be necessary to qualify the Series A Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, or which have not been taken or obtained;

(d) Internal Revenue Code. The District has covenanted to comply with the Internal Revenue Code of 1986, as amended, with respect to the Series A Bonds;

(e) No Conflicts. To the best knowledge of the District, the issuance of the Series A Bonds, and the execution, delivery and performance of the Purchase Contract, the Resolutions, and the Series A Bonds, and the compliance with the provisions hereof do not conflict with or constitute on the part of the District a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution, and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject;

(f) Litigation. As of the time of acceptance hereof and based on the advice of Bowie, Arneson, Wiles & Giannone, District counsel ("District Counsel"), no action, suit, proceeding, hearing or investigation is pending against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several officers of the District required to execute any documents or certificates in connection with the delivery of the Series A Bonds or of the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Series A Bonds, the application of the proceeds of the sale of the Series A Bonds, or the collection of taxes of the District pledged or to be pledged or available to pay the principal and accreted value of and interest on the Series A Bonds, or the pledge thereof, or, the levy of any taxes contemplated by the Resolutions, or in any way contesting or affecting the validity or enforceability of the Series A Bonds, the Purchase Contract or the Resolutions or contesting the powers of the District or its authority with respect to the Series A Bonds, the Resolutions, or the Purchase Contract; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by the Purchase Contract or the Resolutions, or (b) adversely affect the exclusion of the interest paid on the Series A Bonds from gross income for federal income tax purposes and the exemption of such interest from California personal income taxation;

(g) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Underwriter, neither the District directly, nor any other governmental agency or other body on behalf of the District, will have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement;

(h) Arbitrage Certificate. The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the District is a bond issuer whose arbitrage certificates may not be relied upon;

(i) Continuing Disclosure. To assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5), the District will undertake, pursuant to the Resolutions and a Continuing Disclosure Certificate, to provide annual reports and notices of certain

events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement; and

(j) Certificates. Any certificates signed by any officer of the District and delivered to the Underwriter shall be deemed a representation by the District to the Underwriter, but not by the person signing the same, as to the statements made therein.

8. **Representations, Warranties and Agreements of the County.** The County hereby represents, warrants and agrees with the Underwriter that:

(a) Due Organization. The County is a political subdivision duly organized and validly existing under the laws of the State of California, with the power to issue the Series A Bonds pursuant to the Act;

(b) Due Authorization. (i) At or prior to the Closing, the County will have taken all action required to be taken by it to authorize the issuance and delivery of the Series A Bonds; (ii) the County has full legal right, power and authority to enter into the Purchase Contract, to adopt the County Resolution, to issue and deliver the Series A Bonds to the Underwriter on behalf of the District and to perform its obligations under each such document or instrument; and (iii) the Purchase Contract constitutes a valid and legally binding obligation of the County.

(c) No Conflicts. To the best knowledge of the County, the issuance of the Series A Bonds, the execution, delivery and performance of the Purchase Contract, the County Resolution, and the Series A Bonds, and the compliance with the provisions hereof, do not conflict with or constitute on the part of the County a violation of or default under the Constitution of the State of California or any existing charter, ordinance, or resolution, and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the County is a party;

(d) Litigation. As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending against the County or, to the best knowledge of the County, threatened against the County: (i) in any way affecting the existence of the County, or in any way challenging the respective powers of the several offices or of the titles of the officials of the County who will be required to execute documents and certificates in connection with the delivery of the Series A Bonds to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Series A Bonds, or the levy of any taxes or the pledge thereof contemplated by the Resolutions, or in any way contesting or affecting the validity or enforceability of the Series A Bonds, the Purchase Contract or the County Resolution or contesting the powers of the County or its authority with respect to the Series A Bonds, the County Resolution, or the Purchase Contract; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the County related to the transactions contemplated by the Purchase Contract or the Resolutions, or (b) declare the Purchase Contract to be invalid or unenforceable in whole or in material part;

(e) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Underwriter, the County will not have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement;

(f) Certificates. Any certificates signed by any officer of the County and delivered to the Underwriter shall be deemed a representation by the County to the Underwriter, but not by the person signing the same, as to the statements made therein.

9. **Representations, Warranties and Agreements of the Underwriter.** The Underwriter represents to and agrees with the County and the District that, as of the date hereof and as of the date of the Closing:

(a) The Underwriter is duly authorized to execute this Purchase Contract and to take any action under the Purchase Contract required to be taken by it.

(b) The Underwriter is in compliance with MSRB Rule G-37 with respect to the County and the District, and is not prohibited thereby from acting as underwriter with respect to securities of the District.

(c) The Underwriter has, and has had, no financial advisory relationship with the District or the County with respect to the Series A Bonds, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship.

(d) The Underwriter has reasonably determined that the District's undertaking to provide continuing disclosure with respect to the Series A Bonds is sufficient to effect compliance with Rule 15c2-12.

10. **Covenants of the District and the County.** The County and the District respectively covenant and agree with the Underwriter that:

(a) Securities Laws. The County and the District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter if and as the Underwriter may reasonably request in order to qualify the Series A Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions, provided, however, that the County and the District shall not be required to consent to service of process in any jurisdiction in which they are not so subject as of the date hereof;

(b) Application of Proceeds. The District will apply the proceeds from the sale of the Series A Bonds for the purposes for which the Series A Bonds were authorized;

(c) Official Statement. The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the seventh (7th) business day following the date the Purchase Contract is signed, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the District (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto being herein called the "Official Statement") in such quantities (including a representative number of originally executed copies) as may be requested by the Underwriter in order to permit the Underwriter to comply with paragraph (b)(4) of the Rule and with the rules of the Municipal Securities Rulemaking Board;

(d) Subsequent Events. The District hereby agrees to notify the Underwriter of any event or occurrence that may affect in any material respect the accuracy or completeness of any information set forth in the Official Statement relating to the District, until the date which is ninety (90) days following the Closing or until such time (if earlier) as the Underwriter shall no longer hold any of the Series A Bonds for sale; and

(e) Amendments to Official Statement. For a period of ninety (90) days after the Closing or until such time (if earlier) as the Underwriter shall no longer hold any of the Series A Bonds for sale, the District will not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the Underwriter shall object in writing or which shall be disapproved by the Underwriter (the Underwriter's approval of such amendment or supplement shall not be unreasonably withheld); and if any event relating to or affecting the District shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser, the District shall forthwith prepare and furnish (at the expense of the District) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time such supplemental Official Statement is delivered to a purchaser, not misleading.

11. **Division of Responsibility Between District and County.** It is specifically acknowledged and agreed by and between the District and the County that the County shall have no responsibility or liability to ensure or provide compliance with those provisions of this Purchase Contract which are to be performed solely by the District.

12. **Conditions to Closing.** The Underwriter has entered into the Purchase Contract in reliance upon the representations and warranties of the County and the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter's obligations under the Purchase Contract are and shall be subject at the option of the Underwriter, to the following further conditions at the Closing:

(a) Representations True. The representations and warranties of the County and the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and each of the County and the District shall be in compliance with each of the agreements made by it in the Purchase Contract;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, the Purchase Contract, the District Resolution and the County Resolution shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter; and (ii) all actions under the Act which, in the opinion of Bowie, Arneson, Wiles & Giannone, Newport Beach, California ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby shall have been duly taken and shall be in full force and effect.

(c) Adverse Rulings. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of the Purchase Contract (and not reversed on appeal or otherwise set aside), or to the best knowledge of the County or the District, pending or threatened which has any of the effects described in Section 7(f) or 8(d) hereof or contesting in any way the completeness or accuracy of the Official Statement;

(d) Marketability. Between the date hereof and the Closing, the market price or marketability or the ability of the Underwriter to enforce contracts for the sale of the Series A Bonds, at the initial offering prices set forth in the Official Statement, of the Series A Bonds shall not have been materially adversely affected by reason of any of the following:

(1) legislation enacted or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service, with the purpose or effect, directly or indirectly, of causing inclusion in gross income for purposes of federal income taxation of the interest received by the owners of the Series A Bonds; or

(ii) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Series A Bonds, or obligations of the general character of the Series A Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(2) legislation enacted by the legislature of the State of California (the "State"), or a decision rendered by a court of the State, or a ruling, order, or regulation (final or temporary) made by State authority, which would have the effect of changing, directly or indirectly, the State tax consequences of interest on obligations of the general character of the Series A Bonds in the hands of the holders thereof;

(3) the declaration of war or engagement in major military hostilities by the United States or the occurrence of any other national emergency or calamity relating to the effective operation of the government or the financial community in the United States;

(4) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange;

(5) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Series A Bonds, or obligations of the general

character of the Series A Bonds, or securities generally, or the material increase of any such restrictions now in force;

(6) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Series A Bonds, or the issuance, offering or sale of the Series A Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws, as amended and then in effect;

(7) the withdrawal or downgrading of any rating of the District's outstanding indebtedness by a national rating agency; or

(8) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, and which the District fails or is unwilling to correct by the submission of supplemental information.

(e) Delivery of Documents. At or prior to the date of the Closing, the District shall deliver (or cause to be delivered) sufficient copies of the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Underwriter:

(1) Bond Opinion. An approving opinion of Bond Counsel, as to the validity and tax-exempt status of the Series A Bonds, dated the date of the Closing, addressed to the District;

(2) Reliance Letter. A reliance letter from Bond Counsel to the effect that the Underwriter can rely upon the approving opinion described in (e)(1) above;

(3) Certificate of the District. A certificate signed by appropriate officials of the District to the effect that (i) such officials are authorized to execute the Purchase Contract; (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing; (iii) the District has complied with all the terms of the District Resolution, the County Resolution, and the Purchase Contract to be complied with prior to or concurrently with the Closing and such documents are in full force and effect; and (iv) the District has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statement of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, excepting therefrom those sections of the Official Statement describing the Depository Trust Company and its Book-Entry-Only System, any bond insurance and the provider of such bond insurance, the

investment policies of the County and any other information provided by the County;

(4) Certificate of the County. A certificate signed by appropriate officials of the County to the effect that (i) such officials are authorized to execute this Purchase Contract; (ii) the representations, agreements and warranties of the County herein are true and correct in all material respects as of the date of Closing; (iii) the County has complied with all the terms of the County Resolution and this Purchase Contract to be complied with by the County prior to or concurrently with the Closing and (iv) to the best of its knowledge, as of the Closing, the information set forth in the Official Statement under the caption Los Angeles County Investment Pool is accurate;

(5) Arbitrage. A non-arbitrage certificate of the District in a form satisfactory to Bond Counsel;

(6) Municipal Bond Insurance. Evidence satisfactory to the Underwriter that the Series A Bonds shall have received a policy of municipal bond insurance issued by _____. ("_____") that unconditionally guarantees the timely payments of all debt service on the Series A Bonds.

(7) Rating. Evidence satisfactory to the Underwriter that the Series A Bonds shall have been rated _____ by Standard & Poor's and "____" by Fitch Ratings as a result of municipal bond insurance provided by _____ and that any such rating has not been revoked or downgraded;

(8) District Resolution. A certificate, together with fully executed copies of the District Resolution, of the Clerk of the District Governing Board to the effect that:

(i) such copies are true and correct copies of the District Resolution; and

(ii) that the District Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing.

(9) District Counsel Opinion. An opinion of Counsel to the District in the form attached as Appendix B;

(10) County Resolution. A certificate, together with fully executed copies of the County Resolution, of the Executive Officer-Clerk of the County Board of Supervisors to the effect that such copies are true and correct copies of the County Resolution;

(11) County Counsel Opinion. An opinion of Counsel to the County in the form attached hereto as Appendix C;

(12) Continuing Disclosure Certificate. A Continuing Disclosure Certificate of the District in substantially the form given in the Preliminary Official Statement.

(13) Underwriter's Certifications. At or before Closing, and contemporaneously with the acceptance of delivery of the Series A Bonds and the payment of the purchase price thereof, the Underwriter will provide (or cause to be provided) to the District:

(i) the receipt of the Underwriter, in form satisfactory to the District and the County and signed by an authorized officer of the Underwriter, confirming delivery of the Series A Bonds to the Underwriter, receipt of all documents required by the Underwriter, and the satisfaction of all conditions and terms of this Purchase Contract by the District and the County, respectively, and confirming to the District and the County that as of the Closing Date all of the representations of the Underwriter contained in this Purchase Contract are true, complete and correct in all material respects.

(ii) the certification of the Underwriter, in form satisfactory to Bond Counsel, regarding the prices at which the Series A Bonds have been reoffered to the public, as described in Section 1 hereof.

(iii) the certification of the Underwriter, in form satisfactory to Bond Counsel, that the present value of the interest saved as a result of the policy of municipal bond insurance with respect to the Series A Bonds issued by _____ exceeds the premium paid for said insurance, and said premium is not unreasonable.

(14) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence (i) compliance by the County and the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the County and the District herein contained, and (iii) the due performance or satisfaction by the County and the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

(f) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Series A Bonds shall not have been delivered by the District to the Underwriter prior to the close of business, California time, on _____, 2003, then the obligation to purchase Series A Bonds hereunder shall terminate and be of no further force or effect except as agreed to by the parties hereto.

If the County and/or the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in the Purchase Contract or if the Underwriter's obligations shall be terminated for any reason permitted by the Purchase Contract, the Purchase Contract may be canceled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the County and the District in writing, or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the County and the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

13. **Conditions to Obligations of the County and the District.** The performance by the County and the District of their obligations is conditioned upon (i) the performance by the Underwriter of their obligations hereunder; and (ii) receipt by the District and the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than the County and the District.

14. **Expenses.** The District shall pay costs of issuance of the Series A Bonds, including but not limited to the following: (i) [the premium for any policy of municipal bond insurance insuring payment of the Series A Bonds]; (ii) the cost of the preparation and reproduction of the Resolutions; (iii) the fees and disbursements of Bond Counsel, Disclosure Counsel and District Counsel; (iv) the cost of the preparation and delivery of the Series A Bonds; (v) the fees, if any, for bond ratings, including all necessary travel expenses; (vi) the cost of the printing and distribution of the Official Statement; (vii) the initial fees, if any, of the Paying Agent; and (viii) the fees and expenses of the County with respect to its participation in the issuance of the Series A Bonds. All out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory Commission fee, Underwriter Counsel fee, travel and other expenses (except as provided above), shall be paid by the Underwriter.

15. **Notices.** Any notice or other communication to be given under the Purchase Contract (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the County, to the Treasurer and Tax Collector of the County of Los Angeles, 500 West Temple Street, Room 437, Los Angeles, CA 90012; or if to the District, to the Superintendent, William S. Hart Union High School District, 21515 Redview Drive, Santa Clarita, CA 91350; or if to the Underwriter, to Stone & Youngberg LLC, 515 South Figueroa Street, Suite 1060 Los Angeles, CA 90071, Attention: Public Finance.

16. **Parties in Interest; Survival of Representations and Warranties.** The Purchase Contract when accepted by the District in writing as heretofore specified shall constitute the entire agreement among the County, the District and the Underwriter. The Purchase Contract is made solely for the benefit of the County, the District and the Underwriter (including the successors or assigns of the Underwriter). No person shall acquire or have any rights hereunder or by virtue hereof. All representations, warranties and agreements of the County and the District in the Purchase Contract shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, and (b) delivery of and payment by the Underwriter for the Series A Bonds hereunder.

17. **Severability.** In the event any provision of this Purchase Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof.

18. **Nonassignment.** Notwithstanding anything stated to the contrary herein, neither party hereto may assign or transfer its interest herein, or delegate or transfer any of its obligations hereunder, without the prior consent of the other party hereto.

19. **Entire Agreement.** This Purchase Contract, when executed by the parties hereto, shall constitute the entire agreement of the parties hereto, including their permitted successors and assigns, respectively.

20. **Execution in Counterparts.** The Purchase Contract may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

21. **Applicable Law.** The Purchase Contract shall be interpreted, governed and enforced in accordance with the law of the State of California applicable to contracts made and performed in such State.

Very truly yours,

Stone & Youngberg LLC

By: _____
Managing Director or Director

The foregoing is hereby agreed to and accepted as of the date first above written:

County of Los Angeles

By: _____
Treasurer and Tax Collector

Approved as to form:

By: _____
Deputy County Counsel

William S. Hart Union High School District

By: _____
Superintendent

1/20/03
2/2/03
2/18/03

APPENDIX A

INTEREST RATES, REOFFERING PRICES, MATURITIES, DEBT SERVICE, AND OPTIONAL AND MANDATORY REDEMPTION PROVISIONS

WILLIAM S. HART UNION HIGH SCHOOL DISTRICT
General Obligation Bonds, 2001 Election, Series A

REDEMPTION PROVISIONS

Optional Redemption

The Current Interest Bonds maturing on or before September 1, 2012, are not subject to redemption prior to their maturity dates. The Current Interest Bonds maturing on or after September 1, 2013, are subject to redemption at the option of the District, as a whole or in part by inverse order of maturity and by lot within each maturity, from any source of available funds, on September 1, 2012, or on any Bond Payment Date thereafter at the following prices, expressed as a percentage of the principal amount to be redeemed, plus accrued interest represented thereby to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 2012 and March 1, 2013	101%
September 1, 2013 and thereafter	100

The Capital Appreciation Series A Bonds are not subject to optional or mandatory sinking fund redemption prior to their fixed maturity dates.

APPENDIX B

FORM OF DISTRICT COUNSEL OPINION

§ _____

WILLIAM S. HART UNION HIGH SCHOOL DISTRICT
General Obligation Bonds
2001 Election, Series A

Ladies and Gentlemen:

As counsel to the William S. Hart Union High School District (the "District"), I have reviewed the proceedings relating to the special election of the District held on November 7, 2001 (the "Election"), at which the above-described bonds (the "Series A Bonds") were authorized, the Official Statement (the "Official Statement") for the Series A Bonds, the Resolution of the Board of Education of the District adopted on February 12, 2003 (the "District Resolution"), and the Bond Purchase Contract, dated as of _____, 2003, by and among the District, County of Los Angeles, and Stone & Youngberg LLC (the "Purchase Contract").

Having reviewed these documents, it is my opinion that:

1. The District is a school district duly organized and existing under the Constitution and the laws of the State of California.
2. The District Resolution was duly adopted at a meeting of the governing body of the District which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout.
3. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened against or affecting the District which would adversely impact the District's ability to complete the transactions described in and contemplated by the Official Statement, to restrain or enjoin the levy or collection of tax revenues pledged for the Series A Bonds or in any way contesting or affecting the validity of the Election, the Purchase Contract, the District Resolution or the Series A Bonds or the transactions described in and contemplated by the Official Statement wherein an unfavorable decision, ruling or finding would adversely affect the validity and enforceability of the Election, the Purchase Contract, the District Resolution or the Series A Bonds or in which a final adverse decision could materially adversely affect the operations of the District.
4. To the best of my knowledge, the obligations of the District under the Series A Bonds, and the approval of the Official Statement and compliance with the provisions thereof, and the execution of and performance of the provisions of the Purchase Contract, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the District a breach of or default under any agreement or other instrument to which the District is a party or by which it is bound or any existing law, regulation court order or consent decree to which the District is subject.
5. The Election was validly ordered and the proceedings relating thereto were conducted in compliance with all requirements of the Constitution and the laws of the State of California.

6. No authorization, approval, consent, or other order of the State of California, or other governmental authority or agency within the State of California, is required, other than any which have been obtained, for the valid authorization of the Series A Bonds, the execution of the Purchase Contract or the approval of the Official Statement.

Very truly yours,

APPENDIX C

FORM OF OPINION OF COUNTY COUNSEL

\$ _____

WILLIAM S. HART UNION HIGH SCHOOL DISTRICT
General Obligation Bonds
2001 Election, Series A

William S. Hart Union High School District
21515 Redview Drive
Santa Clarita, CA 91350

Stone & Youngberg LLC
515 South Figueroa Street, Suite 1060
Los Angeles, CA 90071

Ladies and Gentlemen:

This opinion is rendered as counsel to the County of Los Angeles (the "County") in connection with the issuance by the William S. Hart Union High School District (the "District") of its General Obligation Bonds, 2001 Election, Series A, in the aggregate principal amount of \$ _____ (the "Bonds"). The Bonds are being issued pursuant to a resolution of the Board of Supervisors of the County adopted on _____, 2003, (the "County Resolution"), at the request of the District made pursuant to a resolution adopted by the Board of Education of the District on _____, 2003, (the "District Resolution").

In rendering this opinion, we have examined the County Resolution and such other documents, records and instruments and made such investigations of law and fact as we have deemed necessary to render the opinions expressed herein.

Based upon the foregoing, and solely with respect to the laws of the State of California (the "State"), we are of the opinion, as of the date hereof, that:

1. The County is a political subdivision duly organized and validly existing under the Constitution and the laws of the State of California.
2. The County Resolution approving and authorizing the execution and delivery of the Purchase Contract and the issuance of the Bonds was duly adopted at a meeting of the governing body of the County which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting at the time of adoption.
3. To the best of our knowledge, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or threatened against the County (a) affecting the existence of the County or the titles of its officers who have acted with respect to the proceedings for issuance and sale of the Bonds to their respective officers; (b) seeking to prohibit, restrain or enjoin the execution of the Purchase Contract or the issuance of the Bonds or in any way contesting or affecting the validity or enforceability of the bonds, the Purchase Contract, or the County Resolution; (c)

contesting the powers of the County or its authority to enter into, adopt or perform its obligations under the County Resolution or the Purchase Contract; or (d) seeking to restrain or enjoin the levy or collection of tax revenues pledged for payment of the Bonds.

4. The Purchase Contract has been duly authorized, executed and delivered by the County and Bonds have been duly authorized by the County, executed by the County on behalf of the District and delivered by the County and, assuming due authorization, execution and delivery by the other parties thereto, the Purchase Contract will constitute the legal, valid and binding agreement of the County enforceable against the County in accordance with its terms

With respect to the opinions we have expressed, enforcement of the rights and obligations under the County Resolution, the Purchase Contract and the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles if equitable remedies are sought, and by limitations on legal remedies imposed in actions against public entities in the State. We express no opinion as to the availability of equitable remedies in connection with enforcement of the County Resolution, the Purchase Contract or the Bonds.

Very truly yours,

County Counsel

By: _____
Principal Deputy County Counsel

EXHIBIT "B"

FORM OF CURRENT INTEREST BOND

**REGISTERED
NO.**

**REGISTERED
\$**

**WILLIAM S. HART UNION HIGH SCHOOL DISTRICT
(Los Angeles County, California)
GENERAL OBLIGATION BONDS, 2001 ELECTION, SERIES A**

INTEREST RATE:	MATURITY DATE:	DATED AS OF:	CUSIP:
_____ %	September 1, 20____	_____, 2003	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The WILLIAM S. HART UNION HIGH SCHOOL DISTRICT ("Hart District") in Los Angeles County, California ("County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on March 1 and September 1 ("Bond Payment Dates"), commencing March 1, 2004. This Bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before February 15, 2004, in which event it shall bear interest from _____, 2003. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this Bond (or, if applicable, on one or more predecessor Bonds) is registered ("Registered Owner") on the Register maintained by the Paying Agent, initially the Treasurer and Tax Collector of the County of Los Angeles. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months. Principal is payable upon presentation and surrender of this Bond at the principal office of the Paying Agent in Los Angeles, California. Interest is payable by check or draft mailed by the Paying Agent on each Bond Payment Date to the Registered Owner of this Bond (or one or more predecessor Bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date ("Record Date"). The Registered Owner of an aggregate Principal Amount of \$1,000,000 or more may request in writing to the Paying Agent that such Registered Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

This Bond is one of an aggregate amount of \$_____ of Bonds issued to be used for constructing and acquiring additional schools, classrooms, and facilities, renovating and expanding existing junior high and high schools, including replacement of inadequate lighting, electrical, plumbing systems, roofs, renovating classrooms and libraries to serve the Hart District under authority of and pursuant to the laws of the State of California, and the requisite fifty-five percent (55%) vote of the electors of the Hart District obtained at an election held on November 6, 2001, upon the question of issuing Bonds in the amount of \$158,000,000, the resolution of the Governing Board of the Hart District adopted on February 12, 2003 ("Hart District Resolution"), and the resolution of the Board of Supervisors of the County of Los Angeles adopted on March 11, 2003 ("County Resolution"). This Bond and the issue of which this Bond is one are payable as to both principal and interest from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the Hart District, which taxes are unlimited as to rate or amount. The Bonds of this issue are general obligations of the Hart District and do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the Bonds of this issue.

The Bonds of this issue are comprised of \$_____ principal amount of Current Interest Bonds, of which this Bond is a part and Capital Appreciation Bonds, of which \$_____ represents the Denominational Amount and \$_____ the Maturity Value.

The Bonds of this issue are issuable only as fully registered bonds in the denominations of \$5,000 or any integral multiple thereof. This Bond is exchangeable and transferable for Bonds of other authorized denominations at the principal corporate trust office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the County Resolution. Any tax or governmental charges shall be paid by the transferor. The Hart District, the County and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the Hart District, the County nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds maturing on or before September 1, 2012, are not subject to redemption prior to maturity. The Bonds maturing on or after September 1, 2013, are subject to redemption at the option of the Hart District, as a whole or in part by lot within each maturity, from any source of available funds, on September 1, 2012, or on any Bond Payment Date thereafter at the following prices, expressed as a percentage of the principal amount to be redeemed, plus accrued interest represented thereby to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 2012 and March 1, 2013	101.0%
September 1, 2013 and thereafter	100.0%

[THE FOLLOWING TO APPEAR ON THE TERM BONDS, IF ANY:]

[The Bonds maturing on September 1, 20____, are subject to mandatory sinking fund redemption in part by lot, on September 1 of each year, commencing September 1, 20____, and on each September 1 thereafter in accordance with the schedule set forth below. The Bonds so called for mandatory sinking fund redemption shall be redeemed at the principal amount of such Bonds to be redeemed, plus accrued but unpaid interest, without premium.

Redemption Year	Principal Amount
_____	_____
_____	_____
_____	_____]

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot by the Hart District in such manner as the Hart District in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, the Paying Agent shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. If less than all of the Bonds shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called by lot in any manner which the Hart District in its discretion shall determine.

The Paying Agent shall give notice of the redemption of the Bonds at the expense of the Hart District. Such notice shall specify: (a) that the Bonds or a designated portion thereof are to be redeemed, (b) the serial or registration numbers and CUSIP numbers, if any, of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the issue of Bonds and the specific Bonds redeemed, including the dated date, interest rate and stated maturity date of each. Such notice shall further state that on the specified date there shall become due and payable upon each Bond to be redeemed, together with interest accrued to said date, the redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue.

Notice of redemption shall be registered or otherwise secured mail or delivery service, postage prepaid, to the Registered Owner of the Bonds, or if the original purchaser is a syndicate, to the managing member of such syndicate, to a municipal registered securities depository and to a national information service that disseminates securities redemption notices and, by first class mail, postage prepaid, to the Hart District, the County and the respective owners of any registered Bonds designated for redemption at their addresses appearing on the Bond registration books, in every case at least thirty (30) days, but not more than forty-five (45) days, prior to the redemption date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds, nor entitle the Registered Owner thereof to interest beyond the date given for redemption.

Neither the Hart District, the County nor the Paying Agent will be required (a) to issue or transfer any Bond during a period beginning with the opening of business on the 16th day of the month next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given, or (b) to transfer any Bond which has been selected or called for redemption in whole or in part.

The County Resolution contains provisions permitting the payment of the interest on, and the principal and premium, if any, of any of the Bonds so that the Bonds shall no longer be deemed to be outstanding under the terms of the County Resolution.

Reference is made to the County Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds of this series, the rights, duties and obligations of the Hart District, the County, the Paying Agent and the Registered Owners, and the terms and conditions upon which the Bonds are issued and secured. The Registered Owner of this Bond assents, by acceptance hereof, to all of the provisions of the County Resolution.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the Hart District, have been performed and have been met in regular and due form as required by law; that payment in full for the Bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that due provision has been made for levying and collecting ad valorem property taxes on all of the taxable property within the Hart District in an amount sufficient to pay principal and interest when due.

This Bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the County Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the County of Los Angeles, California, has caused this Bond to be executed on behalf of the Hart District and in their official capacities by the manual or facsimile signatures of the Chair of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto, all as of the date stated above.

[SEAL]

LOS ANGELES COUNTY, CALIFORNIA

-EXHIBIT-

By: _____
Chair, Board of Supervisors

-EXHIBIT-

By: _____
Treasurer and Tax Collector

COUNTERSIGNED:

-EXHIBIT-

By: _____
Executive Officer-Clerk of the
Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the County Resolution referred to herein.

Date of Registration and Authentication: _____

TREASURER AND TAX COLLECTOR OF THE COUNTY OF LOS ANGELES, Paying Agent,
By: U. S. Bank, N. A., as authenticating agent

-EXHIBIT-

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto

(print/type name, address, zip code, tax identification or Social Security number of assignee) the within Bond and do(es) irrevocably constitute and appoint _____ attorney, to transfer the same on the registration books of the Paying Agent, with full power of substitution in the premises.

Date: _____

-EXHIBIT-

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

-EXHIBIT-

Signature must be guaranteed by an eligible guarantor institution.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede and Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

[FORM OF LEGAL OPINION]

[TEXT OF OPINION]

FORM OF CAPITAL APPRECIATION BOND

REGISTERED
NO.

REGISTERED
\$
(MATURITY VALUE)

WILLIAM S. HART UNION HIGH SCHOOL DISTRICT
(Los Angeles County, California)
GENERAL OBLIGATION BONDS, 2001 ELECTION, SERIES A

YIELD TO MATURITY: MATURITY DATE: DATE OF ISSUANCE: CUSIP:
_____, September 1, 20____, 2003 _____

REGISTERED OWNER: CEDE & CO.

DENOMINATIONAL AMOUNT:

MATURITY VALUE:

The WILLIAM S. HART UNION HIGH SCHOOL DISTRICT ("Hart District") in Los Angeles County, California ("County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated above, which Maturity Value is comprised of the Denominational Amount specified above plus interest compounded from the Date of Issuance at the Yield to Maturity specified above, assuming that the sum of such compounded interest and the Denominational Amount hereof increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months (interest, together with the Denominational Amount hereof, being herein called the "Accreted Value"). Accreted Value is payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this Bond is registered ("Registered Owner") on the Register maintained by the Paying Agent, initially the Treasurer and Tax Collector of the County of Los Angeles. Accreted Value is payable upon presentation and surrender of this Bond at the principal office of the Paying Agent in Los Angeles, California.

This Bond is one of a series of \$_____ of Bonds issued to be used for constructing and acquiring additional schools, classrooms, and facilities, renovating and expanding existing junior high and high schools, including replacement of inadequate lighting, electrical, plumbing systems, roofs, renovating classrooms and libraries to serve the Hart District under authority of and pursuant to the laws of the State of California, and the requisite fifty-five percent (55%) vote of the electors of the Hart District obtained at an election held on November 6, 2001, upon the question of issuing bonds in the amount of \$158,000,000, the resolution of the Governing Board of the Hart District adopted on February 12, 2003 ("Hart District Resolution"), and the resolution of the Board of

Supervisors of the County of Los Angeles adopted on March 11, 2003 ("County Resolution"). This Bond, and the issue of which this Bond is one, are payable as to both principal and interest from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the Hart District, which taxes are unlimited as to rate or amount. The Bonds of this issue are general obligations of the Hart District and do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the Bonds of this issue.

The Bonds of this issue are comprised of \$_____ principal amount of Current Interest Bonds and Capital Appreciation Bonds, of which this Bond is a part (a "Capital Appreciation Bond"), and of which \$_____ represents the Denominational Amount and \$_____ Maturity Value.

The Bonds of this issue are issuable only as fully registered Bonds in the denominations of \$5,000 of Maturity Value or any integral multiple thereof. This Bond is exchangeable and transferable for Bonds of other authorized denominations at the principal corporate trust office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the County Resolution. Any tax or governmental charges shall be paid by the transferor. The Hart District, the County and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the Hart District, the County nor the Paying Agent shall be affected by any notice to the contrary.

Neither the Hart District, the County nor the Paying Agent will be required (a) to issue or transfer any Bond during a period beginning with the opening of business on the 16th day of the month next preceding either any Bond Payment Date [or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given, or (b) to transfer any Bond which has been selected or called for redemption in whole or in part.]

[The Capital Appreciation Bonds are not subject to optional redemption prior to maturity.]

The County Resolution contains provisions permitting the payment of the interest on, and the principal and premium, if any, of any of the Bonds so that the Bonds shall no longer be deemed to be outstanding under the terms of the County Resolution.

Reference is made to the County Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds of this series, the rights, duties and obligations of the Hart District, the County, the Paying Agent and the Registered Owners, and the terms and conditions upon which the Bonds are issued and secured. The owner of this Bond assents, by acceptance hereof, to all of the provisions of the County Resolution.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the Hart District, have been performed and have been met in regular and due form as required by law; that payment in full for the Bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that due provision has been made for levying and collecting ad valorem property taxes on all of the taxable property within the Hart District in an amount sufficient to pay principal and interest when due.

This Bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the County Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the County of Los Angeles, California, has caused this Bond to be executed on behalf of the Hart District and in their official capacities by the manual or facsimile signatures of the Chair of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto, all as of the date stated above.

[SEAL]

LOS ANGELES COUNTY, CALIFORNIA

-EXHIBIT-

By: _____
Chair, Board of Supervisors

-EXHIBIT-

By: _____
Treasurer and Tax Collector

COUNTERSIGNED:

-EXHIBIT-

By: _____
Executive Officer-Clerk of the
Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the County Resolution referred to herein.

Date of Registration and Authentication: _____

TREASURER AND TAX COLLECTOR OF THE COUNTY OF LOS ANGELES, Paying Agent.
By: U. S. Bank, N. A., as authenticating agent

-EXHIBIT-

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto

(print/type name, address, zip code, tax identification or Social Security number of assignee) the within Bond and do(es) irrevocably constitute and appoint _____ attorney, to transfer the same on the registration books of the Paying Agent, with full power of substitution in the premises.

Date: _____

-EXHIBIT-

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

-EXHIBIT-

Signature must be guaranteed by an eligible guarantor institution.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede and Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

[FORM OF LEGAL OPINION]

[TEXT OF OPINION]

RESOLUTION NO. 02/03-38

RESOLUTION OF THE GOVERNING BOARD OF THE WILLIAM S. HART UNION HIGH SCHOOL DISTRICT AUTHORIZING ISSUANCE OF NOT TO EXCEED SEVENTY MILLION DOLLARS (\$70,000,000) PRINCIPAL AMOUNT OF WILLIAM S. HART UNION HIGH SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2001 ELECTION, SERIES A

WHEREAS, the issuance of not to exceed One Hundred Fifty-eight Million Dollars (\$158,000,000) aggregate principal amount of general obligation bonds ("Bond Authorization") of the William S. Hart Union High School District ("Hart District"), County of Los Angeles ("County"), State of California, was authorized at an election duly called and regularly conducted within the Hart District on November 6, 2001 ("Measure V Bond Election"), pursuant to the provisions of the "Safer Schools, Smaller Classes and Financial Accountability Act" (also known as "Proposition 39"), the California Constitution and related California law, and thereafter canvassed pursuant to applicable law; and

WHEREAS, the proceeds of general obligation bonds issued pursuant to the Bond Authorization are to be used for relieving severe overcrowding by constructing and acquiring additional schools, classrooms and facilities, renovating and expanding existing junior high and high schools, including replacement of inadequate lighting, electrical, plumbing systems, roofs, renovation of classrooms, and libraries (as further set forth in Hart District Resolution No. 01/02-11 which is incorporated herein by this reference) as approved by the voters in the Measure V Bond Election; and

WHEREAS, pursuant to the provisions of Proposition 39, the California Constitution and the Bond Authorization, the Hart District may, pursuant to the provisions and limitations of Article 1 of Chapter 1.5 of Part 10 of Division 1 of Title 1 of the California Education Code proceed to borrow funds through the provisions Chapter 1 of Part 10 of Division 1 of Title 1 of the California Education Code; and

WHEREAS, Section 15140 of the Education Code of the State of California authorizes the Board of Supervisors of the County ("County Board") to borrow funds through the issuance of general obligation bonds in the name and for the benefit of the Hart District pursuant to a Resolution adopted by the Hart District; and

WHEREAS, the Hart District has determined that it is in the best interests of the Hart District at this time to issue a portion of the authorized but unissued bonds in the total principal amount of not to exceed Seventy Million Dollars (\$70,000,000) ("Bonds" or "Series A Bonds"); and

WHEREAS, Proposition 39 and related State statutory provisions require that the Hart District comply with various accountability measures, as further described below, which the Hart District has either previously complied with or will comply with during the course of issuing the Series A Bonds and/or expending Series A Bond proceeds; and

WHEREAS, this Governing Board ("Hart Board") hereby determines that not to exceed Seventy Million Dollars (\$70,000,000) in principal amount of the Hart District's Bond Authorization should be offered at this time and requests the County Board to offer the Series A Bonds for sale; and

WHEREAS, the Hart Board has previously retained Stone & Youngberg LLC as its Underwriter ("Underwriter") and Bowie, Arneson, Wiles & Giannone as its Bond Counsel ("Bond Counsel") to the Hart District in connection with the issuance of the Series A Bonds; and

WHEREAS, the District Board desires that the Series A Bonds be sold by negotiated sale and that the sale thereof may involve the purchase of a municipal bond insurance policy; and

WHEREAS, the Hart Board requests that the Treasurer and Tax Collector of the County levy on its 2003/2004 tax roll, and all subsequent tax rolls, ad valorem taxes to be levied only against property within the boundaries of the Hart District, in an amount sufficient to pay the principal and interest on the Series A Bonds as provided for under State law; and

NOW, THEREFORE, THE GOVERNING BOARD OF THE WILLIAM S. HART UNION HIGH SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference.

SECTION 2. Conditions Precedent. This Hart Board determines that all acts and conditions necessary to be performed by the Hart Board or to have been met precedent to and in the issuing and sale of the Series A Bonds in order to make them legal, valid and binding general obligations of the Hart District have been performed and have been met, or will at the time of delivery of the Series A Bonds have been performed and met, in regular and due form as required by law, and as further set forth herein; that the County Board has the power and is obligated to levy *ad valorem* taxes for the payment of the Series A Bonds and the interest thereon without limitation as to rate or amount upon all property within the Hart District subject to taxation (except for certain classes of personal property); and that no statutory or Constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Series A Bonds.

SECTION 3. Purpose of the Bonds. The Series A Bonds of the Hart District in the aggregate principal amount of not to exceed Seventy Million Dollars (\$70,000,000) be offered for sale, the proceeds of which are to be used for relieving severe overcrowding by constructing and acquiring additional schools, classrooms and facilities, renovating and expanding existing junior high and high schools, including replacement of inadequate lighting, electrical, plumbing systems, roofs, renovation of classrooms, and libraries and payment and prepayment of lease obligations of the Hart District (as further authorized and set forth in Hart District Resolution No. 01/02-11 which is incorporated herein by this reference) as further defined in the ballot measure submitted to the voters and approved in the Measure V Bond Election.

SECTION 4. Statutory Authority. That the Series A Bonds shall be issued and offered for public sale by the County on behalf of the Hart District pursuant to and in accordance with this Resolution, the County Resolution (as defined below) and Education Code Sections 15266, 15100 *et seq.* and Section 15140 *et seq.*

SECTION 5. Sale of Bonds; Designation. The County Board is hereby requested to issue and sell, on behalf of the Hart District, an aggregate principal amount of not to exceed Seventy Million Dollars (\$70,000,000) of Series A Bonds authorized at the Measure V Bond Election to be designated as "William S. Hart Union High School District General Obligation Bonds, 2001 Election, Series A" or another designation as the Superintendent of the District ("Superintendent") or the Superintendent's designee (as described herein) may approve. The resolution of the County Board providing for the issuance and sale of the Series A Bonds is in certain instances herein referred to as the "County Resolution." The proceeds of the Series A Bonds shall be expended for the purposes set forth herein. The Series A Bonds shall otherwise conform to the requirements forth herein and in the County Resolution.

SECTION 6. Negotiated Sale. The County Board is hereby requested to issue the Series A Bonds to be sold at a negotiated sale in accordance with the terms and conditions, including provisions for the optional redemption of the Series A Bonds, in substantially the form set forth in the Bond Purchase Contract ("Purchase Contract") by and among the County, the Hart District and the Underwriter, a form of which is attached hereto as Exhibit "A" and incorporated herein by this reference.

SECTION 7. Form of Purchase Contract. The form of the Purchase Contract is hereby approved. The Superintendent or Assistant Superintendent of Business Services ("Assistant Superintendent") and such other officers of the Hart District as may be authorized by the Hart Board or Superintendent (each a "Designated Officer") are, and each of them acting alone hereby is, authorized to execute and deliver, with the County Treasurer, to the Underwriter the Purchase Contract on behalf of the Hart District, with such changes therein as the Designated Officer executing the same on behalf of the Hart District may approve, in his or her discretion, as being in the best interests of the Hart District and subject to the terms and conditions set forth in the County Resolution. Such approval is to be conclusively evidenced by such Designated Officer's execution thereof. The Designated Officer, in consultation with the Underwriter, Bond Counsel, and the County Treasurer and Tax Collector ("Treasurer"), is authorized and directed to establish the final principal amount of the Series A Bonds, provided, however, that such principal amount shall not exceed \$70,000,000. The Designated Officer is authorized and directed to negotiate, in cooperation with the Treasurer, with the Underwriter the interest rates on the Series A Bonds, not to exceed a maximum average interest rate of six and one-quarter percent (6.25%) (based on average annual interest rates), and the Underwriter's discount, excluding original issue discount, if any, shall not exceed one percent (1.00%) of the principal amount of the Series A Bonds (exclusive of any premium paid on the Series A Bonds, which premium shall not exceed 5.00%). The term of the Series A Bonds shall be for not more than 25 years from the date of issuance. The Designated Officer is also authorized, in consultation with the County, the Underwriter and Bond Counsel, to

elect to purchase a policy of bond insurance for the Series A Bonds to the extent such action is determined to be in the best interests of the District.

SECTION 8. Official Statement. A Preliminary Official Statement relating to the Series A Bonds is hereby authorized to be prepared, and the use and distribution of the Preliminary Official Statement and a final Official Statement in connection with the sale of the Series A Bonds is hereby authorized. The Designated Officer is authorized to approve and deliver copies of the Preliminary Official Statement and the final Official Statement, with such changes therein as such officer shall approve, in his or her discretion as being in the best interests of the Hart District. Upon approval of such changes by such officer, the Preliminary Official Statement shall be deemed final as of its date, except for the omission of certain information as provided in and pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The Hart Board hereby authorizes and directs the Designated Officer to deliver to the Underwriter a certificate to the effect that the Hart District deems the Preliminary Official Statement, in the form approved by the Designated Officer, to be final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted under such Rule).

SECTION 9. Book-Entry Form. The Series A Bonds shall be issued in book-entry form, to be lodged with the Depository Trust Company ("DTC") in New York, New York, which shall be the registered owner of the Series A Bonds issued at the closing in the form of a single, certificated Series A Bond for each maturity. The Underwriter is directed to assist the Hart District and the County in qualifying the Series A Bonds for deposit with DTC.

SECTION 10. Paying Agent. The Hart District requests the County to designate a Paying Agent for the Series A Bonds, the first annual fees for which shall be paid from proceeds of the Series A Bonds and subsequent fees and expenses shall be paid out of the Debt Service Fund to be established for the Series A Bonds to the extent that there are sufficient funds remaining after payment of principal and interest on the Series A Bonds in that year, and, if such funds are insufficient, from the General Fund of the Hart District.

SECTION 11. Collection of Taxes. The Hart Board requests that the County Board and the County Treasurer and Tax Collector take action to levy, pursuant to Education Code Section 15250 *et seq.* on its 2003-2004 tax and subsequent tax years, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Series A Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Series A Bonds when due in accordance with the terms of the Series A Bonds and the County Resolution.

SECTION 12. Tax Covenants.

(a) The Hart District, in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series A Bonds, hereby covenants to comply with each applicable requirements of Section 103 and Sections 141 through 150 of the Code, as set forth in the nonarbitrage (tax) certificate to be provided to the Hart District by Bond Counsel, and executed by

the Hart District, on the date of initial delivery of the Series A Bonds and incorporated herein by this reference, as a source of guidance for compliance with such provisions.

(b) The Hart District hereby covenants that it shall not, directly or indirectly, use or permit the use of any proceeds of any of the Series A Bonds, or of any of the property financed with the proceeds of the Series A Bonds, or other funds of the District, or take or omit to take any action that would cause the Series A Bonds to be deemed "arbitrage bonds" within the meaning of Section 148 of the Code. To that end, the Hart District shall comply with all requirements of Section 148 of the Code and all regulations of the United States Department of the Treasury promulgated under that section or any successor section to the extent that such requirements are in effect and applicable to the Series A Bonds.

(c) The Hart District represents that it shall not take any action, or fail to take any action if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Series A Bonds under Section 103 of the Code.

SECTION 13. Expenditure of Bond Proceeds. The Hart District hereby covenants to expend all Series A Bond proceeds in accordance with applicable law, including, but not limited to, Chapter 1 of Part 10 of Division 1 of Title 1 of the California Education Code of the State of California (commencing with Section 15100), as amended, Article XIII A of the California Constitution and as authorized by the voters in the Measure V Bond Election, as set forth in Section 3 of this Resolution.

SECTION 14. Continuing Disclosure. The Hart District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate (as defined below). Any bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Hart District to comply with its obligations under this Section.

The Hart District does hereby covenant and agree that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate (as defined below). Any bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Hart District to comply with its obligations under this Section.

For purposes of this Section, "Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate executed by the Hart District and dated the date of issuance and delivery of the Series A Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. A form of the Continuing Disclosure Certificate is attached hereto as Exhibit "B" and incorporated by reference herein.

SECTION 15. Compliance with Proposition 39. The Hart District hereby determines that it has complied, or will comply, with the applicable requirements prescribed by Proposition 39 and related applicable State statutory provisions, as follows:

- (a) Pursuant to Section 1(b)(3) of Article XIII A of the California Constitution, the proceeds of the sale of the Series A Bonds (exclusive of Costs of Issuance and delivery of the Series A Bonds) ("Bond Proceeds") shall be used only for the purposes specified in the list of specific school facilities projects and purposes approved by the voters in the Measure V Bond Election ("Measure V School Facilities Project List") and not for any other purpose, including teacher and administrator salaries and any other school operating expenses.
- (b) Pursuant to Section 1(b)(3) of Article XIII A of the California Constitution, the Measure V School Facilities Project List was made available to the public for review prior to and during the Measure V Bond Election, which included the Hart Board's evaluation of safety, class size reduction and information technology needs in developing the Measure V School Facilities Project List as set forth in Resolution No. 01/02-11 of the Hart Board.
- (c) Pursuant to Section 1(b)(3) of Article XIII A of the California Constitution, the Hart Board shall conduct, or cause to be conducted, annual, independent performance audits to ensure that the Bond Proceeds have been expended only on the school facilities projects and purposes identified in the Measure V School Facilities Project List.
- (d) Pursuant to Section 1(b)(3) of Article XIII A of the California Constitution, the Hart Board shall conduct, or cause to be conducted, annual, independent financial audits of the Bond Proceeds until all of the Bond Proceeds have been expended for the school facilities projects and purposes identified in the Measure V School Facilities Project List.
- (e) The Bond measure and matters submitted to the voters as part of the Measure V Bond Election included statements in compliance with Education Code Section 15272.
- (f) Pursuant to Education Code Sections 15278 *et seq.*, the Hart Board has established its Measure V Citizens' Oversight Committee ("Committee") and appointed members thereto pursuant to the Committee Policy and Regulations previously adopted by the Hart Board.
- (g) Pursuant to Education Code Section 15268, based on estimates that assessed valuation will increase in accordance with Article XIII A of the California Constitution, the tax rate to be levied to meet the requirements of Section 18 of Article XVI of the California Constitution with regard to the Bonds will not exceed thirty dollars (\$30) per year per one hundred thousand dollars (\$100,000) of taxable property. The Hart District shall provide, or arrange to provide, a certificate specifying the tax rate, and confirming compliance with this statutory requirement, at the time the Series A Bonds are delivered.

SECTION 16. That pursuant to Government Code Section 53410, the Board hereby finds, determines and directs as follows:

- (a) The proceeds of the Bonds shall be used only for the purposes set forth in the Measure V School Facilities Project List.
- (b) One or more funds or accounts (which may include subaccounts) as further described in the County Resolution shall be created into which the proceeds of the Series A Bonds shall be deposited.
- (c) The Hart District's Assistant Superintendent of Business shall have the responsibility, no later than January 1, 2004, and no less often than annually thereafter, to provide to the Hart Board a written report which shall contain at least the following information:
 - (i) The amount of the Bond Proceeds received and expended during the applicable reporting period; and
 - (ii) The status of the acquisition, construction or financing of the school facility projects and purposes identified in the Measure V School Facilities Project List with the Bond Proceeds.

The reports required by this Section 16(c) may be combined with other periodic reports which include the same information, including, but not limited to, periodic reports made to the California Debt and Investment Advisory Commission (CDIAC) or continuing disclosure reports or other reports made in connection with the Series A Bonds.

The requirements of this Section 16(c) shall apply only until all the Series A Bonds are redeemed or defeased, but if the Series A Bonds, or any series of Bonds, are refunded, such provisions shall apply until all such refunding bonds are redeemed or defeased.

SECTION 17. Approval of Actions. All actions heretofore taken by officers and agents of the Hart District with respect to the sale and issuance of the Series A Bonds are hereby approved, confirmed and ratified. The President and Clerk of the Hart Board and the Superintendent and the Designated Officer(s) are each authorized and directed in the name and on behalf of the Hart District to make and execute any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they, or any of them, might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Series A Bonds and related matters, including, without limitation, taking actions and executing and delivering documents and agreements necessary or desirable to complete the prepayment of lease payments of, or on behalf of, the Hart District with the proceeds of the Series A Bonds. Whenever in this Resolution any officer of the Hart District is authorized to execute or countersign any document or take any action, such

execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in case such officer shall be absent or unavailable.

SECTION 18. Further Authorization. The President and Clerk of the Hart Board, and the Designated Officers of the Hart District are authorized and directed to execute all documents, including the Series A Bonds themselves, and to take all actions necessary to cause or facilitate the issuance and delivery of the Series A Bonds.

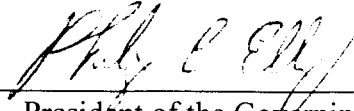
SECTION 19. Effective Date. This Resolution shall take effect immediately upon adoption

SECTION 20. County Filing. That the Clerk of the Hart Board is hereby directed to promptly file certified copies of this Resolution with the Executive Officer-Clerk of the County Board, the Treasurer and Tax Collector of the County and the Superintendent of Schools of the County.

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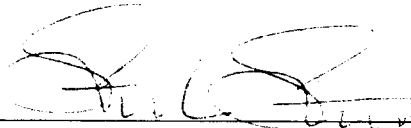
ADOPTED, SIGNED AND APPROVED this 12th day of February, 2003, by the Governing Board of the William S. Hart Union High School District of the County of Los Angeles, State of California.

GOVERNING BOARD OF THE WILLIAM S.
HART UNION HIGH SCHOOL DISTRICT

By 

President of the Governing Board of the
William S. Hart Union High School District

ATTEST:



Clerk of the Governing Board of the
William S. Hart Union High School District

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)


I, Steven M. Sturgeon, Clerk of the Governing Board of the William S. Hart Union High School District, do hereby certify that the foregoing resolution was duly adopted by the Governing Board at a meeting of said Board held on the 12th day of February, 2003, at which meeting a quorum of such Board was present and acting throughout and for which notice and an agenda was prepared and posted as required by law, and that such Resolution was so adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

By: 

Clerk of the Governing Board of the
William S. Hart Union High School District

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, Steven M. Sturgeon, Clerk of the Governing Board of the William S. Hart Union High School District, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 02/03-38 of said Board and that the same has not been amended or repealed.

Dated this 12th day of February, 2003.


By: 
Clerk of the Governing Board of the
William S. Hart Union High School District

EXHIBIT "A"

FORM OF BOND PURCHASE CONTRACT

APPENDIX A

INTEREST RATES, REOFFERING PRICES, MATURITIES, DEBT SERVICE, AND OPTIONAL
AND MANDATORY REDEMPTION PROVISIONS
WILLIAM S. HART UNION HIGH SCHOOL DISTRICT
General Obligation Bonds, 2001 Election, Series A

REDEMPTION PROVISIONS

Optional Redemption

The Current Interest Bonds maturing on or before September 1, 2011 are not subject to redemption prior to their maturity dates. The Current Interest Bonds maturing on or after September 1, 2012 are subject to redemption at the option of the District, as a whole or in part by inverse order of maturity and by lot within each maturity, from any source of available funds, on September 1, 2011 or on any Bond Payment Date thereafter at the following prices, expressed as a percentage of the principal amount to be redeemed, plus accrued interest represented thereby to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, _____ and March 1, _____	_____ %
September 1, _____ and thereafter	100.0%

The Capital Appreciation Series A Bonds are not subject to optional or mandatory sinking fund redemption prior to their fixed maturity dates.

APPENDIX B

FORM OF DISTRICT COUNSEL OPINION

§ _____

WILLIAM S. HART UNION HIGH SCHOOL DISTRICT

General Obligation Bonds

2001 Election, Series A

Ladies and Gentlemen:

As counsel to the William S. Hart Union High School District (the "District"), I have reviewed the proceedings relating to the special election of the District held on November 7, 2001 (the "Election"), at which the above-described bonds (the "Series A Bonds") were authorized, the Official Statement (the "Official Statement") for the Series A Bonds, the Resolution of the Board of Education of the District adopted on _____, 2003 (the "District Resolution"), and the Bond Purchase Contract, dated as of _____, 2003, by and among the District, County of Los Angeles, and Stone & Youngberg LLC (the "Purchase Contract").

Having reviewed these documents, it is my opinion that:

1. The District is a school district duly organized and existing under the Constitution and the laws of the State of California.
2. The District Resolution was duly adopted at a meeting of the governing body of the District which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout.
3. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened against or affecting the District which would adversely impact the District's ability to complete the transactions described in and contemplated by the Official Statement, to restrain or enjoin the levy or collection of tax revenues pledged for the Series A Bonds or in any way contesting or affecting the validity of the Election, the Purchase Contract, the District Resolution or the Series A Bonds or the transactions described in and contemplated by the Official Statement wherein an unfavorable decision, ruling or finding would adversely affect the validity and enforceability of the Election, the Purchase Contract, the District Resolution or the Series A Bonds or in which a final adverse decision could materially adversely affect the operations of the District.
4. To the best of my knowledge, the obligations of the District under the Series A Bonds, and the approval of the Official Statement and compliance with the provisions thereof, and the execution of and performance of the provisions of the Purchase Contract, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the District a breach of or default under any agreement or other instrument to which the District is a party or by which it is bound or any existing law, regulation court order or consent decree to which the District is subject.

5. The Election was validly ordered and the proceedings relating thereto were conducted in compliance with all requirements of the Constitution and the laws of the State of California.
6. No authorization, approval, consent, or other order of the State of California, or other governmental authority or agency within the State of California, is required for the valid authorization of the Series A Bonds, the execution of the Purchase Contract or the approval of the Official Statement.

Very truly yours,

APPENDIX C

FORM OF OPINION OF COUNTY COUNSEL

§ _____

WILLIAM S. HART UNION HIGH SCHOOL DISTRICT

General Obligation Bonds

2001 Election, Series A

William S. Hart Union High School District

21515 Redview Drive
Santa Clarita, CA 91350
Stone & Youngberg LLC
15260 Ventura Boulevard, Suite 1520
Sherman Oaks, CA 91403

Ladies and Gentlemen:

This opinion is rendered as counsel to the County of Los Angeles (the "County") in connection with the issuance by the William S. Hart Union High School District (the "District") of its General Obligation Bonds, 2001 Election, Series A, in the aggregate principal amount of \$ _____ (the "Bonds"). The Bonds are being issued pursuant to a resolution of the Board of Supervisors of the County adopted on _____, 2003, (the "County Resolution"), at the request of the District made pursuant to a resolution adopted by the Board of Education of the District on _____, 2003, (the "District Resolution").

In rendering this opinion, we have examined the County Resolution and such other documents, records and instruments and made such investigations of law and fact as we have deemed necessary to render the opinions expressed herein.

Based upon the foregoing, and solely with respect to the laws of the State of California (the "State"), we are of the opinion, as of the date hereof, that:

1. The County is a political subdivision duly organized and validly existing under the Constitution and the laws of the State of California.
2. The County Resolution approving and authorizing the execution and delivery of the Purchase Contract and the issuance of the Bonds was duly adopted at a meeting of the governing body of the County which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting at the time of adoption.
3. To the best of our knowledge, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or threatened against the County (a) affecting the existence of the County or the titles of its officers who have acted with respect to the proceedings for issuance and sale of the Bonds to their respective officers; (b) seeking to prohibit, restrain or enjoin the execution of the Purchase Contract or the issuance of the Bonds or in any way contesting or affecting the validity or enforceability of the bonds, the Purchase Contract, or the County Resolution; (c) contesting the powers of the County or its authority to enter into, adopt or perform its

obligations under the County Resolution or the Purchase Contract; or (d) seeking to restrain or enjoin the levy or collection of tax revenues pledged for payment of the Bonds.

4. The Purchase Contract has been duly authorized, executed and delivered by the County and Bonds have been duly authorized by the County, executed by the County on behalf of the District and delivered by the County and, assuming due authorization, execution and delivery by the other parties thereto, the Purchase Contract will constitute the legal, valid and binding agreement of the County enforceable against the County in accordance with its terms

With respect to the opinions we have expressed, enforcement of the rights and obligations under the County Resolution, the Purchase Contract and the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles if equitable remedies are sought, and by limitations on legal remedies imposed in actions against public entities in the State. We express no opinion as to the availability of equitable remedies in connection with enforcement of the County Resolution, the Purchase Contract or the Bonds.

Very truly yours,

County Counsel

By: _____
Principal Deputy County Counsel

EXHIBIT "B"

FORM OF CONTINUING DISCLOSURE CERTIFICATE

§ _____
WILLIAM S. HART UNION HIGH SCHOOL DISTRICT
General Obligation Bonds
2001 Election, Series A
(Los Angeles County, California)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the William S. Hart Union High School District (the "District") in connection with the issuance of \$_____ aggregate principal amount of William S. Hart Union High School District General Obligation Bonds, 2001 Election, Series A (the "Bonds"). The Bonds are being issued pursuant to a Resolution adopted by the Board of Trustees of the District on _____, 2003 ("District Resolution"), and a resolution adopted by the Los Angeles County Board of Supervisors (collectively the "Bond Resolution"). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

Annual Report shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

Dissemination Agent shall mean the District or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

Listed Events shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

National Repository shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule.

Participating Underwriter shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

Repository shall mean each National Repository and each State Repository.

Rule shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

State Repository shall mean any public or private repository or entity designated by the State of California as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Disclosure Certificate, there is no State Repository.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (which currently would be March 31), commencing March 31, 2004, with the report for the 2002-03 Fiscal Year, provide to any person who requests it, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. An Annual Report shall consist of the most recently available documents of the type to be included in the Annual Report (see Section 4) at the time the request is received.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

- (a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.
- (b) To the extent not contained in the audited financial statements filed pursuant to the preceding clause (a), the Annual Report shall contain information showing:
 - (i) the average daily attendance in District schools on an aggregate basis for the preceding fiscal year;
 - (ii) pension plan contributions made by the District for the preceding fiscal year;
 - (iii) aggregate principal amount of short-term borrowings, lease obligations and other long-term borrowings of the District as of the end of the preceding fiscal year;
 - (iv) description of amount of general fund revenues and expenditures which have been budgeted for the current fiscal year, together with audited actual budget figures for the preceding fiscal year;
 - (v) the District's total revenue limit for the preceding fiscal year;

- (vi) prior fiscal year total secured property tax levy and collections, showing current collections as a percent of the total levy; and
 - (vii) current fiscal year assessed valuation of taxable properties in the District, including assessed valuation of the top ten properties.
- (c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

- (a) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:
- (1) Principal and interest payment delinquencies.
 - (2) Non-payment related defaults.
 - (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
 - (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
 - (5) Substitution of credit or liquidity providers, or their failure to perform.
 - (6) Adverse tax opinions or events affecting the tax-exempt status of the security.
 - (7) Modifications to rights of security holders.
 - (8) Contingent or unscheduled bond calls.
 - (9) Defeasances.
 - (10) Release, substitution, or sale of property securing repayment of the securities.
 - (11) Rating changes.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall as soon as possible determine if such event would be material under applicable Federal securities law.

(c) If the District determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the District shall promptly file a notice of such occurrence with the Municipal Securities Rulemaking Board and each State Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Bond Resolution. Section 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Bond Resolution for amendments to the Bond Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds. If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information

prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to the Repositories in the same manner as for a Listed Event under Section 5(c).

Section 9. Additional Information Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent . The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2003

WILLIAM S. HART UNION HIGH SCHOOL
DISTRICT

-Exhibit-

By: _____
Superintendent

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: William S. Hart Union High School District

Name of Bond Issue: \$ _____ aggregate principal amount of William S. Hart Union High School District General Obligation Bonds, 2001 Election, Series A

Date of Issuance: _____, 2003

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 14 of the District Resolution authorizing the issuance of the Bonds. The District anticipates that the Annual Report will be filed by _____.

Dated: _____, 20__

WILLIAM S. HART UNION HIGH
SCHOOL DISTRICT

By: _____
Superintendent